

Semi-Annual Report (Unaudited)

**CHINA UNIVERSAL INTERNATIONAL ETF SERIES
– C-SHARES CSI HEALTHCARE INDEX ETF**

(A Sub-Fund of China Universal International ETF Series, an
umbrella unit trust established under the laws of Hong
Kong)

For the period from 1 January 2018 to 30 June 2018

CHINA UNIVERSAL INTERNATIONAL ETF SERIES – C-SHARES CSI HEALTHCARE INDEX ETF

(A Sub-Fund of China Universal International ETF Series)

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CHINA UNIVERSAL INTERNATIONAL ETF SERIES – C-SHARES CSI HEALTHCARE INDEX ETF

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MANAGEMENT AND ADMINISTRATION

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STATEMENT OF FINANCIAL POSITION

	30 June 2018	31 December 2017
	RMB	RMB
	(Unaudited)	(Audited)
ASSETS		
Financial assets at fair value through profit or loss	104,074	10,836,474
Deposit reserve-China Exchange Clearing	-	556
Prepayment and other receivables	-	37
Amount due from the Manager	-	123,713
Cash and bank balances	<u>183,826</u>	<u>251,043</u>
TOTAL ASSETS	<u>287,900</u>	<u>11,211,823</u>
LIABILITIES		
Trustee and custodian fees payable	-	10,000
Withholding tax provision	32	36
Other payables and accruals	<u>51,193</u>	<u>245,238</u>
TOTAL LIABILITIES	<u>51,225</u>	<u>255,274</u>
EQUITY		
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>236,675</u>	<u>10,956,549</u>
NUMBER OF UNITS IN ISSUE	<u>600,000</u>	<u>600,000</u>
NET ASSET VALUE PER UNIT	<u>0.3945</u>	<u>18.2609</u>

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the period from 1 January 2018 to 30 June 2018	For the period from 1 January 2017 to 30 June 2017
	RMB (Unaudited)	RMB (Unaudited)
INCOME		
Dividend income	-	122,326
Interest income	3,508	2,015
Other income	<u>115,652</u>	<u>8,926</u>
	<u>119,160</u>	<u>133,267</u>
EXPENSES		
Brokerage commission	(8,772)	(1,262)
Trustee and custodian fees	-	(60,000)
Auditor's remuneration	-	(89,968)
Index licensing fee	-	(27,023)
Professional fee	-	(51,393)
Other operating expenses	<u>(17,177)</u>	<u>(119,578)</u>
	<u>(25,949)</u>	<u>(349,224)</u>
PROFIT/(LOSS) BEFORE INVESTMENT AND EXCHANGE DIFFERENCES	93,211	(215,957)
INVESTMENT AND EXCHANGE DIFFERENCES		
Net change in unrealised gains or losses on financial assets at fair value through profit or loss	(47,991)	3,513,406
Net realised gains/(losses) on financial assets at fair value through profit or loss	<u>281,328</u>	<u>(1,462,080)</u>
NET INVESTMENTS AND EXCHANGE GAINS	<u>233,337</u>	<u>2,051,326</u>
PROFIT BEFORE TAX	326,548	1,835,369
Withholding tax expense	<u>(122)</u>	<u>(15,175)</u>
PROFIT AFTER TAX AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u><u>326,426</u></u>	<u><u>1,820,194</u></u>

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STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	For the period from 1 January 2017 to 30 June 2017
	RMB (Unaudited)
At 31 December 2016 & 1 January 2017	34,587,920
Redemption of units	(25,977,399)
Total comprehensive income for the period	<u>1,820,194</u>
At 30 June 2017	<u><u>10,430,715</u></u>
	For the period from 1 January 2018 to 30 June 2018
	RMB (Unaudited)
At 31 December 2017 & 1 January 2018	10,956,549
Distribution to unitholders	(11,046,300)
Total comprehensive income for the period	<u>326,426</u>
At 30 June 2018	<u><u>236,675</u></u>

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DISTRIBUTION DISCLOSURE (Unaudited)

	Dividend RMB	Distribution per unit RMB
Distribution declared by the Manager: Interim distribution distributed on 28 February 2018 ¹	11,046,300	18.4105

¹ Pursuant to the announcement dated 15 December 2017, the Manager has notified to all its existing investors regarding its liquidation plan of the Sub-Fund. On 9 February 2018, the Manager declared the Sub-Fund's interim distribution to the investors who were recorded as holding units in the Sub-Fund as at close of business on 23 January 2018 (the distribution record date). The interim distribution was paid on 28 February 2018.

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INVESTMENT PORTFOLIO (Unaudited)

As at 30 June 2018

	Holdings Shares	Market Value RMB	% of NAV
<u>Financial assets at fair value through profit or loss</u>			
Listed Securities			
China (100%)			
Healthcare			
HAINAN HAIYAO CO LTD	8,074	104,074	43.97%
TOTAL INVESTMENTS, AT FAIR VALUE		<u>104,074</u>	<u>43.97%</u>
TOTAL INVESTMENTS, AT COST		<u>125,228</u>	

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MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)

For the period from 1 January 2018 to 30 June 2018

	Holdings As at 1 January 2018	Additions	Corporate Action	Disposals	Holdings As at 30 June 2018
<u>Financial assets at fair value through profit or loss</u>					
Listed Securities					
AIER EYE HOSPITAL GROUP CO LTD	6,000	-	-	(6,000)	-
AUTOBIO DIAGNOSTICS CO LTD	800	-	-	(800)	-
BEIJING SL PHARMACEUTICAL CO LTD	4,128	-	-	(4,128)	-
BEIJING TIANTAN BIOLOGICAL PRODUCTS CORP LTD	3,560	-	-	(3,560)	-
BEIJING TONGRENTANG CO LTD	5,547	-	-	(5,547)	-
CHANGCHUN HIGH & NEW TECHNOLOGY INDUSTRIES (GROUP) INC	1,380	-	-	(1,380)	-
CHINA ANIMAL HUSBANDRY INDUSTRY CO LTD	2,200	-	-	(2,200)	-
CHINA MEHECO CO LTD	5,500	-	-	(5,500)	-
CHINA NATIONAL ACCORD MEDICINES CORP LTD	1,400	-	-	(1,400)	-
CHINA NATIONAL MEDICINES CORP LTD	2,700	-	-	(2,700)	-
CHINA RESOURCES DOUBLE-CRANE PHARMACEUTICAL CO LTD	4,080	-	-	(4,080)	-
CHINA RESOURCES SANJIU MEDICAL & PHARMACEUTICAL CO LTD	3,700	-	-	(3,700)	-
CHONGQING ZHIFEI BIOLOGICAL PRODUCTS CO LTD	4,600	-	-	(4,600)	-
DA AN GENE CO LTD SUN YAT-SEN UNIVERSITY	5,054	-	-	(5,054)	-
DONG-E E-JIAO CO LTD	4,935	-	-	(4,935)	-
GUANGDONG ZHONGSHENG PHARMACEUTICAL CO LTD	3,900	-	-	(3,900)	-
GUANGZHOU BAIYUNSHAN PHARMACEUTICAL HLDGS CO LTD	5,500	-	-	(5,500)	-
GUIZHOU BAILING GROUP PHARMACEUTICAL CO LTD	4,100	-	-	(4,100)	-
GUIZHOU XINBANG PHARMACEUTICAL CO LTD	8,100	-	-	(8,100)	-
GUIZHOU YIBAI PHARMACEUTICAL CO LTD	6,600	-	-	(6,600)	-
HAINAN HAIYAO CO LTD	8,074	-	-	-	8,074
HARBIN GLORIA PHARMACEUTICALS CO LTD	8,800	-	-	(8,800)	-
HARBIN PHARMACEUTICAL GROUP CO LTD	15,300	-	-	(15,300)	-
HUADONG MEDICINE CO LTD	4,700	-	-	(4,700)	-
HUALAN BIOLOGICAL ENGINEERING INC	5,256	-	-	(5,256)	-
HUBEI JUMPCAN PHARMACEUTICAL CO LTD	2,400	-	-	(2,400)	-
HUMANWELL HEALTHCARE GROUP CO LTD	9,080	-	-	(9,080)	-
HYBIO PHARMACEUTICAL CO LTD	4,900	-	-	(4,900)	-

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MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)

For the period from 1 January 2018 to 30 June 2018

	Holdings As at 1 January 2018	Additions	Corporate Action	Disposals	Holdings As at 30 June 2018
<u>Financial assets at fair value through profit or loss</u>					
<u>(continued)</u>					
Listed Securities					
JIANGSU BICON PHARMACEUTICAL LISTED CO	2,900	-	-	(2,900)	-
JIANGSU HENGRUI MEDICINE CO LTD	15,909	-	-	(15,909)	-
JIANGSU KANION PHARMACEUTICAL CO LTD	4,100	-	-	(4,100)	-
JIANGSU YUYUE MEDICAL EQUIPMENT & SUPPLY CO LTD	5,750	-	-	(5,750)	-
JIANGZHONG PHARMACEUTICAL CO LTD	2,000	-	-	(2,000)	-
JILIN AODONG MEDICINE INDUSTRY GROUPS CO LTD	8,850	-	-	(8,850)	-
JILIN ZIXIN PHARMACEUTICAL INDUSTRIAL CO LTD	5,300	-	-	(5,300)	-
JINYU BIO-TECHNOLOGY CO LTD	8,826	-	-	(8,826)	-
JOINCARE PHARMACEUTICAL GROUP INDUSTRY CO LTD	8,300	-	-	(8,300)	-
KANGMEI PHARMACEUTICAL CO LTD	29,300	-	-	(29,300)	-
KUNMING PHARMACEUTICAL CORP	5,700	-	-	(5,700)	-
LAOBAIXING PHARMACY CHAIN JSC	800	-	-	(800)	-
LEPU MEDICAL TECHNOLOGY BEIJING CO LTD	10,100	-	-	(10,100)	-
LIVZON PHARMACEUTICAL GROUP INC	1,950	-	-	(1,950)	-
MAYINGLONG PHARMACEUTICAL GROUP CO LTD	3,300	-	-	(3,300)	-
MEINIAN ONEHEALTH HEALTHCARE HLDGS CO LTD	9,900	-	-	(9,900)	-
SHANDONG BUCHANG PHARMACEUTICALS CO LTD	700	-	-	(700)	-
SHANDONG REALCAN PHARMACEUTICAL CO LTD	7,100	-	-	(7,100)	-
SHANGHAI FOSUN PHARMACEUTICAL GROUP CO LTD	9,500	-	-	(9,500)	-
SHANGHAI KAIBAO PHARMACEUTICAL CO LTD	6,510	-	-	(6,510)	-
SHANGHAI KEHUA BIO-ENGINEERING CO LTD	4,091	-	-	(4,091)	-
SHANGHAI KINGSTAR WINNING SOFTWARE CO LTD	11,070	-	-	(11,070)	-
SHANGHAI PHARMACEUTICALS HLDG CO LTD	10,900	-	-	(10,900)	-
SHANGHAI RAAS BLOOD PRODUCTS CO LTD	14,127	-	-	(14,127)	-
SHENZHEN GLORY MEDICAL CO LTD	3,603	-	-	(3,603)	-
SHENZHEN NEPTUNUS BIOENGINEERING CO LTD	16,000	-	-	(16,000)	-

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MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)

For the period from 1 January 2018 to 30 June 2018

	Holdings As at 1 January 2018	Additions	Corporate Action	Disposals	Holdings As at 30 June 2018
<u>Financial assets at fair value through profit or loss</u>					
<u>(continued)</u>					
Listed Securities					
SHENZHEN SALUBRIS PHARMACEUTICALS CO LTD	4,000	-	-	(4,000)	-
SHIJIANGZHUANG YILING PHARMACEUTICAL CO LTD	4,600	-	-	(4,600)	-
SHINVA MEDICAL INSTRUMENT CO LTD	3,100	-	-	(3,100)	-
SICHUAN KELUN PHARMACEUTICAL CO LTD	8,200	-	-	(8,200)	-
TASLY PHARMACEUTICAL GROUP CO LTD	6,100	-	-	(6,100)	-
TIANJIN CHASE SUN PHARMACEUTICAL CO LTD	18,900	-	-	(18,900)	-
TIANJIN ZHONGXIN PHARMACEUTICAL GROUP CORP LTD	2,700	-	-	(2,700)	-
TONGHUA GOLDEN-HORSE PHARMACEUTICAL INDUSTRY CO LTD	4,000	-	-	(4,000)	-
XIANGXUE PHARMACEUTICAL CO LTD	4,480	-	-	(4,480)	-
YIFAN XINFU PHARMACEUTICAL CO LTD	5,700	-	-	(5,700)	-
YUNNAN BAIYAO GROUP CO LTD	4,900	-	-	(4,900)	-
ZHANGZHOU PIENZEHUANG PHARMACEUTICAL CO LTD	2,900	-	-	(2,900)	-
ZHEJIANG CONBA PHARMACEUTICAL CO LTD	12,655	-	-	(12,655)	-
ZHEJIANG DIAN DIAGNOSTICS CO LTD	3,300	-	-	(3,300)	-
ZHEJIANG HISUN PHARMACEUTICAL CO LTD	6,100	-	-	(6,100)	-
ZHEJIANG HUAHAI PHARMACEUTICAL CO LTD	5,900	-	-	(5,900)	-
ZHEJIANG MEDICINE CO LTD	6,100	-	-	(6,100)	-
ZHEJIANG NHU CO LTD	5,396	-	-	(5,396)	-
ZHEJIANG XIANJU PHARMACEUTICAL CO LTD	5,650	-	-	(5,650)	-
ZHONGYUAN UNION CELL & GENE ENGINEERING CORP LTD	3,000	-	-	(3,000)	-
ZHUHAI HOKAI MEDICAL INSTRUMENTS CO LTD	6,100	-	-	(6,100)	-

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PERFORMANCE RECORD (Unaudited)

1. NET ASSET VALUE

	Net asset value per unit RMB	Total net asset value RMB
As at 30 June 2018	0.3945	236,675
As at 31 December 2017	18.2609	10,956,549
As at 31 December 2016	16.4704	34,587,920
As at 31 December 2015	19.1092	40,129,251

2. HIGHEST ISSUE AND LOWEST REDEMPTION PRICES PER UNIT

	Highest subscription unit price RMB	Lowest redemption unit price RMB
For the period from 1 January 2018 to 30 June 2018	19.0496	18.5064
For the period from 31 December 2017	19.1084	16.0697
For the year ended 31 December 2016	17.8182	14.2021
For the year ended 31 December 2015	26.4732	14.7146
For the period from 5 May 2014 (date of inception) to 31 December 2014	15.4367	12.0133

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PERFORMANCE RECORD (Unaudited) (continued)

3. COMPARISON OF THE SCHEME PERFORMANCE AND THE ACTUAL INDEX PERFORMANCE

The table below illustrates the comparison between the Sub-Fund's performance (Market-to-Market) and that of the CSI Healthcare Index (the "Index") during the period:

	CSI Healthcare Index	RMB counter of the Sub-Fund	HKD counter of the Sub-Fund
For the period from 1 January 2018 to 30 June 2018 ¹	2.33%	0.11%	0.91%
For the period from 1 January 2017 to 30 June 2017	7.78%	6.81%	10.34%

¹ Pursuant to the announcement dated 15 December 2017, the Manager has notified to all its existing investors regarding its liquidation plan of the Sub-Fund. The Manager has, by means of a resolution of the Board of Directors of the Manager dated 5 December 2017, decided to terminate the Trust and the Sub-Funds under Clause 27.3(a) of the Trust Deed ("Termination"), and voluntarily seek the deauthorisation of the Trust and the Sub-Funds ("Deauthorisation") from the SFC under section 106 of the SFO and the delisting of the Sub-Funds ("Delisting") from The Stock Exchange of Hong Kong Limited ("SEHK"). The Sub-Fund has ceased trading on SEHK from 16 January 2018 ("Trading Cessation Date"). No redemption of units of the Sub-Fund in the primary market would be accepted from the Trading Cessation Date. From the Trading Cessation Date, the Manager starts to realise all the assets of the Sub-Fund and the Sub-Fund mainly holds cash and the suspended stocks and therefore ceases to track the underlying index and is not able to meet the investment objectives of tracking the performance of the underlying index. The performance was calculated up to the last trading day, 15 January 2018 which investors could buy or sell Units of the Sub-Fund on SEHK.

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INVESTMENT LIMITATIONS AND PROHIBITIONS UNDER THE SFC CODE (Unaudited)

The Code on Unit Trusts and Mutual Funds of the Hong Kong Securities and Futures Commission (the “SFC Code”) allows the Sub-Fund to invest in constituent securities issued by a single issuer for more than 10% of the Sub-Fund's net asset value provided that:

- (a) the investment is limited to any constituent securities that each accounts for more than 10% of the weighting of the index; and
- (b) the Sub-Fund's holding of any such constituent securities may not exceed their respective weightings in the index, except where weightings are exceeded as a result of changes in the composition of the index and the excess is only transitional and temporary in nature.

Pursuant to the announcement dated 15 December 2017, which was approved by the SFC, from the Trading Cessation Date, the Manager starts to realise all the assets of the Sub-Fund and the Sub-Fund mainly holds cash and the suspended stocks and therefore ceases to track the underlying index.

Constituent securities that individually accounted for more than 10% of the net asset value of the Sub-Fund and their respective weightings of the Index as at 30 June 2018 were as follows:

<u>30 June 2018</u>	Respective weighting in the Index (%)	% of net asset value
HAINAN HAIYAO CO LTD (Suspended)	1.04%	43.97%

There were no other constituent securities that individually accounted for more than 10% of the net asset value of the Sub-Fund as at 30 June 2018.