

ChinaAMC ETF Series
ChinaAMC CES China A80 Index ETF

Unaudited Semi-Annual Report

For the period from
1 January 2019 to 30 June 2019



UNAUDITED SEMI-ANNUAL REPORT

ChinaAMC CES China A80 Index ETF
(a sub-fund of ChinaAMC ETF Series)

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IMPORTANT:

Any opinion expressed herein reflects the Manager's view only and is subject to change. For more information about the Sub-Fund, please refer to the prospectus of the Sub-Fund which is available at our website: <http://www.chinaamc.com.hk/en/products/etf/a80/documents.html>

Investors should not rely on the information contained in this report for their investment decisions.

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MANAGEMENT AND ADMINISTRATION

Manager and RQFII Holder

China Asset Management (Hong Kong) Limited
37/F, Bank of China Tower
1 Garden Road
Central, Hong Kong

Administrator and Custodian

Citibank, N.A.
50/F, Champion Tower
Three Garden Road
Central, Hong Kong

Directors of the Manager

Mr. Yang Minghui
Mr. Zhang Xiaoling
Ms. Li Yimei
Mr. Gan Tian
Mr. Li Min

Registrar

Computershare Hong Kong Investor Services
Limited
46/F, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

Trustee

Cititrust Limited
50/F, Champion Tower
Three Garden Road
Central, Hong Kong

Service Agent

HK Conversion Agency Services Limited
2/F, Infinitus Plaza
199 Des Voeux Road
Central, Hong Kong

PRC Custodian

Citibank (China) Co., Limited
Citigroup Tower
No. 33, Hua Yuan Shi Qiao Road
Lu Jia Zui Finance and Trade Area, Shanghai
People's Republic of China

Legal Counsel to the Manager

Simmons & Simmons
13/F, One Pacific Place
88 Queensway
Central, Hong Kong

Auditor

Ernst & Young
22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

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MANAGEMENT AND ADMINISTRATION (continued)

Participating Dealers

ABN AMRO Clearing Hong Kong Limited
70/F, International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

CIMB Securities Limited
Unit 7706-08, 77/F
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

Credit Suisse Securities (Hong Kong) Limited
88/F, International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

Deutsche Securities Asia Limited
52/F, International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

Goldman Sachs (Asia) Securities Limited
68/F, Cheung Kong Center
2 Queen's Road
Central, Hong Kong

Merrill Lynch Far East Limited
15/F, Champion Tower
Three Garden Road
Central, Hong Kong

Nomura International (Hong Kong) Limited
30/F, Two International Finance Centre
8 Finance Street
Central, Hong Kong

SG Securities (HK) Limited
38/F, Pacific Place 3
1 Queen's Road East
Admiralty, Hong Kong

The Hongkong and Shanghai Banking Corporation
Limited
18/F, HSBC Main Building
1 Queen's Road
Central, Hong Kong

UBS Securities Hong Kong Limited
42/F, One Exchange Square
Central, Hong Kong

Yuanta Securities (Hong Kong) Company Limited
23/F, Tower 1, Admiralty Centre
18 Harcourt Road
Admiralty, Hong Kong

ChinaAMC CES China A80 Index ETF
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REPORT OF THE MANAGER TO THE UNITHOLDERS

Introduction

The ChinaAMC CES China A80 Index ETF (the "Sub-Fund"), a sub-fund of ChinaAMC ETF Series, an umbrella unit trust established under Hong Kong law. The Sub-Fund is a physical exchange traded fund investing directly in underlying A-Shares. Its RMB counter (stock code: 83180) and HKD counter (stock code:03180) commenced trading on the Stock Exchange of Hong Kong Limited (the "SEHK") on 26 August 2013. The Sub-Fund is an index-tracking fund that seeks to track the performance of the CES China A80 Index (the "Index").

The Manager announced the proposed termination, deauthorisation and delisting of the Sub-Fund on 9 October 2017. Subsequently, the Units of the Sub-Fund ceased trading on the SEHK as from 10 November 2017 and the first distribution from realization of the Sub-Fund's investment was made on 4 December 2017.

The Sub-Fund still has 1 suspended stock, namely Beijing Xinwei-A (Ticker: 600485 CH). When the suspended stocks resume trading and are disposed, further distribution(s) will be made to the investors who held any Unit on 15 November 2017 at such intervals as determined by the Manager.

On 31 August 2018 and 28 February 2019 respectively, due to the Sub-Fund still held suspended stock(s), the Manager extended further distributions and postponed the termination date of the Sub-Fund to 28 February 2020. If the suspended stock has not resumed trading by 28 February 2020, the Manager will issue an announcement to inform investors of further extension of the period of further distribution and the postponement of the termination date.

Performance of the Sub-Fund

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the Index. There can be no assurance that the Sub-Fund will achieve its investment objective.

Since the Units of Sub-Fund have ceased trading on the SEHK from 10 November 2017, there is no performance data provided in this report.

China Asset Management (Hong Kong) Limited
22 August 2019

ChinaAMC CES China A80 Index ETF
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STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	30 June 2019 (Unaudited) RMB	31 December 2018 (Audited) RMB
ASSETS		
Cash and cash equivalents	<u>269,765</u>	<u>269,479</u>
TOTAL ASSETS	<u>269,765</u>	<u>269,479</u>
LIABILITIES		
Management fee payable	11,687	11,687
Termination fee payable	33,300	33,300
Amount due to the manager	77,912	77,912
Other payables and accruals	<u>120,286</u>	<u>120,286</u>
TOTAL LIABILITIES	<u>243,185</u>	<u>243,185</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>26,580</u>	<u>26,294</u>
NUMBER OF UNITS IN ISSUE	<u>300,000</u>	<u>300,000</u>
NET ASSET VALUE PER UNIT	<u>0.0886</u>	<u>0.0876</u>

ChinaAMC CES China A80 Index ETF
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STATEMENT OF COMPREHENSIVE INCOME

For the period from 1 January 2019 to 30 June 2019

	1 January 2019 to 30 June 2019 (Unaudited) RMB	1 January 2018 to 30 June 2018 (Unaudited) RMB
INCOME		
Interest income	291	179
	<u>291</u>	<u>179</u>
EXPENSES		
Brokerage fee	–	(11)
Other operating expenses	–	(16)
	<u>–</u>	<u>(27)</u>
PROFIT BEFORE INVESTMENT GAINS AND EXCHANGE DIFFERENCES	291	152
INVESTMENT GAINS/(LOSSES) AND EXCHANGE DIFFERENCES		
Net change in unrealised gains or losses on financial assets at fair value through profit or loss	–	25,869
Net realised gains or losses on financial assets at fair value through profit or loss	–	(57,740)
NET INVESTMENT AND EXCHANGE LOSSES	<u>–</u>	<u>(31,871)</u>
PROFIT BEFORE TAX	291	(31,719)
Withholding taxes	(5)	–
TOTAL COMPREHENSIVE INCOME	<u><u>286</u></u>	<u><u>(31,719)</u></u>

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STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the period from 1 January 2019 to 30 June 2019

	1 January 2019 to 30 June 2019 (Unaudited) RMB	1 January 2018 to 30 June 2018 (Unaudited) RMB
At 1 January	26,294	82,822
Total comprehensive income	286	(31,719)
At 30 June	<u>26,580</u>	<u>51,103</u>

ChinaAMC CES China A80 Index ETF
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STATEMENT OF CASH FLOWS

For the period from 1 January 2019 to 30 June 2019

	1 January 2019 to 30 June 2019 (Unaudited) RMB	1 January 2018 to 30 June 2018 (Unaudited) RMB
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	291	(31,719)
Adjustments for:		
Net change in unrealised gains or losses on financial assets at fair value through profit or loss	–	(25,869)
Net realised gains or losses on financial assets at fair value through profit or loss	–	57,740
Operating gain before changes in working capital	<u>291</u>	<u>152</u>
Proceeds from sale of financial assets at fair value through profit or loss	<u>–</u>	<u>14,560</u>
Cash flows generated from operations	291	14,712
Tax paid	(5)	–
Net cash flows generated from operating activities	<u>286</u>	<u>14,712</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at the beginning of the period	<u>269,479</u>	<u>59,702</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>269,765</u>	<u>74,414</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash at bank	<u>269,765</u>	<u>74,414</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES INCLUDE:		
Interest received	<u>286</u>	<u>179</u>

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INVESTMENT PORTFOLIO

30 June 2019

	Holdings Shares	Market Value RMB	% of NAV
<u>Financial assets at fair value through profit or loss</u>			
<u>Listed Securities</u>			
<u>China</u>			
Information Technology			
Beijing Xinwei Technology Group Co Ltd	1,974	–	0.00%
TOTAL INVESTMENTS, AT FAIR VALUE		<u>–</u>	<u>0.00%</u>
TOTAL INVESTMENTS, AT COST		<u>51,185</u>	

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MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)

For the period from 1 January 2019 to 30 June 2019

INVESTMENTS	Holdings as at 1 January 2019	Additions	Corporate Action	Disposals	Holdings as at 30 June 2019
<u>Financial assets at fair value through profit or loss</u>					
Listed securities					
Beijing Xinwei Technology Group Co Ltd	1,974	–	–	–	1,974

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PERFORMANCE RECORD (Unaudited)

For the period from 1 January 2019 to 30 June 2019

1. NET ASSET VALUE (calculated in accordance with the Sub-Fund's Trust Deed)

	Net assets attributable to unitholders RMB	Net asset value per unit RMB
As at:		
30 June 2019 (Unaudited)	26,580	0.0886
31 December 2018 (Audited)	26,294	0.0876
31 December 2017 (Audited)	82,822	0.2761
31 December 2016 (Audited)	7,401,688	9.8689

2. HIGHEST ISSUE AND LOWEST REDEMPTION PRICES PER UNIT^A

	Highest issue unit price RMB	Lowest redemption unit price RMB
During the year/period ended:		
31 December 2017 ^B (Audited)	13.2071	0.2761
31 December 2016 (Audited)	11.1551	8.6884
31 December 2015 (Audited)	14.7503	8.4411
31 December 2014 (Audited)	10.5237	5.9045
31 December 2013 ^C (Audited)	7.4234	6.4855

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

The table below illustrates the comparison between the Sub-Fund's performance (Market-to-Market) and that of the Index during the following period/year ended:

	The Index (since 23 August 2013)	RMB counter of the Sub-Fund (since 26 August 2013)	HKD counter of the Sub-Fund (since 26 August 2013)
During the period/year ended:			
10 November 2017 ^B (the Trading Cessation Date)	120.99%	92.32%	77.49%
31 December 2016 (Audited)	49.21%	50.37%	32.25%
31 December 2015 (Audited)	58.93%	57.46%	45.48%
31 December 2014 (Audited)	61.23%	54.20%	51.04%
31 December 2013 ^C (Audited)	0.72%	-3.69%	-3.13%

^A Past performance figures shown are not indicative of the future performance of the Sub-Fund.

^B The highest issue and lowest redemption prices per unit and the comparison of the scheme performance and the actual index performance are not available after the Trading Cessation Date.

^C The financial period of the Sub-Fund extended from 22 August 2013 (date of inception) to 31 December 2013.

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DISTRIBUTION DISCLOSURE (Unaudited)

For the period from 1 January 2019 to 30 June 2019

The Manager may in its absolute discretion distribute income to unitholders at such time or times as it may determine in each financial period or determine that no distribution shall be made in any financial period. The amount to be distributed to unitholders, if any, will be derived from the net income of the Sub-Fund.

The Sub-Fund did not make any distribution during the periods ended 30 June 2019 and 30 June 2018.

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INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE (Unaudited)

As at 30 June 2019

Pursuant to the Securities & Futures Commission of Hong Kong's ("SFC") Guidelines for Regulating Index Tracking Exchange Trade Funds, 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 should not exceed their respective weightings in the underlying index, except where the weightings are exceeded as a result of changes in the composition of the underlying index and the excess is only transitional and temporary in nature.

The SFC Code further provides that, if the investment limits stated above are breached, the management company should take as a priority objective all steps as are necessary within a reasonable period of time to remedy the situation, taking due account of the interests of the unitholders. The Trust Deed of the Trust also contains provisions mirroring the above provisions of the SFC Code.

Pursuant to the announcement dated 9 October 2017, which was approved by the SFC, the Sub-Fund ceased to track the Index and therefore the Sub-Fund is not necessary to meet the investment limitation and prohibitions under the SFC Code.

