

# United China Onshore Funds

- United China A-Shares Innovation Fund
- United China A-Shares Consumption Upgrade Fund

Annual Report

for the financial year ended  
31 December 2022



Right By You



**United China Onshore Funds**  
(Constituted under a Trust Deed in the Republic of Singapore)

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**MANAGER**

UOB Asset Management Ltd

Registered Address:

80 Raffles Place

UOB Plaza

Singapore 048624

Company Registration No. : 198600120Z

Tel: 1800 22 22 228

**DIRECTORS OF UOB ASSET MANAGEMENT LTD**

Lee Wai Fai

Peh Kian Heng

Thio Boon Kiat

Lam Sai Yoke (Appointed 1 February 2022)

Edmund Leong Kok Mun (Appointed 1 February 2022)

Eric Tham Kah Jin (Resigned 31 January 2022)

**TRUSTEE**

State Street Trust (SG) Limited

168 Robinson Road

#33-01, Capital Tower

Singapore 068912

**CUSTODIAN / ADMINISTRATOR / REGISTRAR**

State Street Bank and Trust Company, acting through its Singapore Branch

168 Robinson Road

#33-01, Capital Tower

Singapore 068912

**AUDITOR**

PricewaterhouseCoopers LLP

7 Straits View, Marina One

East Tower, Level 12

Singapore 018936

**SUB-MANAGER**

Ping An Fund Management Company Limited

No. 5033, Yitian Road

34F Ping An Financial Center Futian District, Shenzhen

518033 People's Republic of China

**United China A-Shares Innovation Fund**  
(Constituted under a Trust Deed in the Republic of Singapore)

**A) Fund Performance**

**Class JPY Acc**

Fund Performance/ Benchmark Returns	3 mth % Growth	6 mth % Growth	1 yr % Growth	3 yr Ann Comp Ret	5 yr Ann Comp Ret	10 yr Ann Comp Ret	Since Inception 1 August 2019 Ann Comp Ret
United China A-Shares Innovation Fund	-7.04	-22.36	-20.99	18.20	N/A	N/A	23.16
Benchmark	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: Morningstar.

Note: The performance returns of the Fund are in Japanese Yen based on a NAV-to-NAV basis with dividends and distributions reinvested, if any.  
The benchmark of the Fund: There is no benchmark for the Sub-Fund as Manager is of the view that there is no appropriate benchmark for the Sub-Fund.

**Class A SGD Acc**

Fund Performance/ Benchmark Returns	3 mth % Growth	6 mth % Growth	1 yr % Growth	3 yr Ann Comp Ret	5 yr Ann Comp Ret	10 yr Ann Comp Ret	Since Inception 17 August 2020 Ann Comp Ret
United China A-Shares Innovation Fund	-5.00	-23.51	-32.25	N/A	N/A	N/A	-7.74
Benchmark	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: Morningstar.

Note: The performance returns of the Fund are in Singapore Dollar based on a NAV-to-NAV basis with dividends and distributions reinvested, if any.  
The benchmark of the Fund: There is no benchmark for the Sub-Fund as Manager is of the view that there is no appropriate benchmark for the Sub-Fund.

**United China A-Shares Innovation Fund**  
(Constituted under a Trust Deed in the Republic of Singapore)

**A) Fund Performance** (continued)

**Class A USD Acc**

Fund Performance/ Benchmark Returns	3 mth % Growth	6 mth % Growth	1 yr % Growth	3 yr Ann Comp Ret	5 yr Ann Comp Ret	10 yr Ann Comp Ret	Since Inception 23 November 2020 Ann Comp Ret
United China A-Shares Innovation Fund	1.58	-20.58	-31.92	N/A	N/A	N/A	-12.04
Benchmark	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: Morningstar.

Note: The performance returns of the Fund are in United States Dollar based on a NAV-to-NAV basis with dividends and distributions reinvested, if any.

The benchmark of the Fund: There is no benchmark for the Sub-Fund as Manager is of the view that there is no appropriate benchmark for the Sub-Fund.

**Class T USD Acc**

Fund Performance/ Benchmark Returns	3 mth % Growth	6 mth % Growth	1 yr % Growth	3 yr Ann Comp Ret	5 yr Ann Comp Ret	10 yr Ann Comp Ret	Since Inception 19 February 2021 Ann Comp Ret
United China A-Shares Innovation Fund	1.96	-20.08	-31.07	N/A	N/A	N/A	-23.20
Benchmark	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: Morningstar.

Note: The performance returns of the Fund are in United States Dollar based on a NAV-to-NAV basis with dividends and distributions reinvested, if any.

The benchmark of the Fund: There is no benchmark for the Sub-Fund as Manager is of the view that there is no appropriate benchmark for the Sub-Fund.

For the twelve months ended 31 December 2022, the net asset value (NAV) of Class JPY Acc **declined 20.99%** in Japanese Yen terms and Class A SGD Acc **declined 32.25%** in Singapore Dollar terms, while Class A USD Acc **declined 31.92%** in United States Dollar terms. Class T USD Acc **declined 31.07%** from its inception on 19 February 2021 till 31 December 2022 in United States Dollar terms.

On Fund performance, **Energy** sector contributed the most to Fund return while **Information Technology, Consumer Staples** and **Industrials** were detractors to performance.

## A) Fund Performance (continued)

In terms of stocks, the key contributors to performance include *Tongwei*, *Shenzhen Inovance Technology Co Ltd* and *Wanhua Chemical Co Ltd*. The key performance detractors were *CATL*, *Kweichow Moutai Co Ltd* and *Longshine Technology Group*.

As at end 31 December 2022, the Fund had the following sector allocation: **Materials** (24.64%), **Industrials** (16.95%), **Financials** (14.75%), **Consumer Discretionary** (14.00%), **Information Technology** (12.56%), **Consumer Staples** (9.12%), **ETF** (2.90%), with the remainder in cash (5.08%).

The Fund had the following country exposure: **China** (92.02%), **Singapore** (2.90%) and the remainder in cash (5.08%).

## Economic and Market Review

In the twelve-month period under review ended 31 December 2022, **China** markets were volatile and were dominated by renewed COVID woes, escalation of geopolitical tension with **US** and **Taiwan** as well as a troubled property market. Nevertheless, the avalanche of government support for **Real Estate** sector provided downside cushion and news of easing epidemic control measures and border reopening were cheered by investors. The Chinese equity markets bottomed out and staged a strong rebound since November.

President Xi was elected for a third term as the Party leader at the 20th Party Congress, which signals core leadership strengthening and policy continuity. On monetary policy, the PBoC stated that the degree of monetary policy support should be at least on par with 2022 and will be strengthened if necessary. Unless economic growth and inflationary pressure exceeded expectations, we expect liquidity condition to remain accommodative. On fiscal policy, Ministry of Finance vowed proper expansion of fiscal spending and improving tax support policies to support firms in 2023. We see front-loading of infrastructure investments and direct transfers to spur household consumption.

Since mid-December, market turnover has reduced as positive news of **China's** pivot from its 'Zero-COVID policy' to 'living with COVID' was tempered by concerns over the surge in COVID infections and near-term growth headwinds from virus fears. We expect market sentiment to gradually improve after infection cases peaked and consumption should rebound with reopening and the release of excess savings.

## Outlook and Fund Strategy

We are optimistic about the fundamentals and prospects of the Chinese markets and 'A' shares. The risk/reward has turned more attractive as policy tone becomes more business-friendly and regulatory concerns appear overdone, with upside from a faster-than-expected reopening. Better-than-expected December economic data and Q4 GDP despite large waves of COVID cases after reopening should provide investor confidence. We expect accommodative monetary policy and expansionary fiscal measures to support growth in 2023.

## **United China A-Shares Innovation Fund**

(Constituted under a Trust Deed in the Republic of Singapore)

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### **A) Fund Performance** (continued)

Starting from September, we increased allocation to companies with great long-term fundamental qualities and reduced allocation to firms with overly high growth/earnings expectations in the short term. Portfolio rebalancing was completed by October. The current portfolio consists of mainly Electronic and power core parts, Real estate chain, Financials, Consumer goods, Machinery, and Chemical companies. Portfolio construction was largely unchanged in December except for weight adjustment due to price movements. We will maintain the current asset allocation and make dynamic adjustments in line with changes in valuation.

Key downside risks to our more constructive stance on **China** markets include a slower-than-expected recovery in **China's** economy, bigger-than-expected tail risk from the **Real Estate** sector, a drastic increase in debt risk from LGFV (Local Government Financing Vehicles) and a worsening geopolitical rivalry between **US/China**. A severe **US** recession also represents downside risk to our view.

**United China A-Shares Innovation Fund**  
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**B) Investments at fair value and as a percentage of net asset value (“NAV”) as at 31 December 2022 under review classified by**

**i) Country**

	Fair Value (S\$)	% of NAV
China	339,537,607	92.02
Singapore	<u>10,714,000</u>	<u>2.90</u>
Portfolio of investments	350,251,607	94.92
Other net assets/(liabilities)	<u>18,745,265</u>	<u>5.08</u>
<b>Total</b>	<b><u><u>368,996,872</u></u></b>	<b><u><u>100.00</u></u></b>

**ii) Industry**

	Fair Value (S\$)	% of NAV
Consumer Discretionary	51,673,492	14.00
Consumer Staples	33,642,989	9.12
Financials	54,434,412	14.75
Industrials	62,539,922	16.95
Information Technology	46,341,483	12.56
Materials	90,905,309	24.64
Unit Trusts	<u>10,714,000</u>	<u>2.90</u>
Portfolio of investments	350,251,607	94.92
Other net assets/(liabilities)	<u>18,745,265</u>	<u>5.08</u>
<b>Total</b>	<b><u><u>368,996,872</u></u></b>	<b><u><u>100.00</u></u></b>

**iii) Asset Class**

	Fair Value (S\$)	% of NAV
Quoted unit trusts	10,714,000	2.90
Quoted equities	339,537,607	92.02
Other net assets/(liabilities)	<u>18,745,265</u>	<u>5.08</u>
<b>Total</b>	<b><u><u>368,996,872</u></u></b>	<b><u><u>100.00</u></u></b>

**iv) Credit rating of quoted bonds**

N/A



**United China A-Shares Innovation Fund**  
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**C) Top Ten Holdings**

10 largest holdings as at 31 December 2022

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
BEIJING ORIENTAL YUHONG WATERPROOF TECHNOLOGY CO LTD	22,926,551	6.22
BANK OF NINGBO CO LTD	22,818,207	6.18
SHANXI XINGHUACUN FEN WINE FACTORY CO LTD	19,480,533	5.28
CHINA MERCHANTS BANK CO LTD	18,230,334	4.94
LONGSHINE TECHNOLOGY GROUP	17,217,808	4.67
GANFENG LITHIUM GROUP CO LTD	15,434,317	4.18
SAILUN GROUP CO LTD	15,171,179	4.11
BEIJING UNITED INFORMATION TECHNOLOGY CO LTD	14,621,146	3.96
KWEICHOW MOUTAI CO LTD	12,913,198	3.50
CONTEMPORARY AMPEREX TECHNOLOGY CO LTD	12,793,148	3.47

10 largest holdings as at 31 December 2021

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
KWEICHOW MOUTAI CO LTD	47,117,042	6.62
CONTEMPORARY AMPEREX TECHNOLOGY CO LTD	38,948,850	5.47
LONGI GREEN ENERGY TECHNOLOGY CO LTD	29,798,241	4.19
SHENZHEN MINDRAY BIO MEDICAL ELECTRONICS CO LTD	26,452,732	3.72
GUANGZHOU TINCI MATERIALS TECHNOLOGY CO LTD	26,169,713	3.68
BANK OF NINGBO CO LTD	25,557,804	3.59
LONGSHINE TECHNOLOGY GROUP	21,850,972	3.07
NAURA TECHNOLOGY GROUP CO LTD	21,345,700	3.00
POLY DEVELOPMENTS AND HOLDINGS GROUP CO LTD	20,665,094	2.90
LUXSHARE PRECISION INDUSTRY CO LTD	20,338,868	2.86

**United China A-Shares Innovation Fund**  
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**D) Exposure to derivatives**

The global exposure relating to derivative instruments is calculated using the commitment approach:

- (i) the absolute value of the exposure of each individual financial derivative not involved in netting or hedging arrangements;
- (ii) the absolute value of the net exposure of each individual financial derivative after netting or hedging arrangements; and
- (iii) the sum of the values of cash collateral received under certain cases.

i) Fair value of derivative contracts and as a percentage of NAV as at 31 December 2022

N/A

ii) There was a net realised loss of SGD 1,942,952 on derivative contracts during the financial year ended 31 December 2022.

iii) Net gains/(losses) on outstanding derivative contracts marked to market as at 31 December 2022

N/A

**E) Amount and percentage of NAV invested in other schemes as at 31 December 2022**

Please refer to the Statements of Portfolio.

**F) Amount and percentage of borrowings to NAV as at 31 December 2022**

N/A

**G) Amount of redemptions and subscriptions for the financial year ended 31 December 2022**

Total amount of redemptions	SGD	246,191,454
Total amount of subscriptions	SGD	110,674,812

**H) The amount and terms of related-party transactions for the financial year ended 31 December 2022**

Please refer to Note 10 of the Notes to the Financial Statements.

**I) Expense ratios**

Please refer to Note 11 of the Notes to the Financial Statements.

**J) Turnover ratios**

Please refer to Note 11 of the Notes to the Financial Statements.

**K) Any material information that will adversely impact the valuation of the scheme such as contingent liabilities of open contracts**

N/A

**L) For schemes which invest more than 30% of their deposited property in another scheme, the following key information on the second-mentioned scheme (“the underlying scheme”)<sup>1</sup> should be disclosed as well**

i) Top 10 holdings at fair value and as percentage of NAV as at 31 December 2022 and 31 December 2021

N/A

ii) Expense ratios for the financial year ended 31 December 2022 and 31 December 2021

N/A

iii) Turnover ratios for the financial year ended 31 December 2022 and 31 December 2021

N/A

<sup>1</sup> *Where the underlying scheme is managed by a foreign manager which belongs to the same group of companies as, or has a formal arrangement or investment agreement with, the Singapore manager, the above information should be disclosed on the underlying scheme. In other cases, such information on the underlying scheme should be disclosed only if it is readily available to the Singapore manager.*

**M) Soft dollar commissions/arrangements**

UOB Asset Management and Ping An Fund Management have entered into soft dollars arrangements with selected brokers from whom products and services are received from third parties. The products and services relate essentially to computer hardware and software to the extent that they are used to support the investment decision making process, research and advisory services, economic and political analyses, portfolio analyses including performance measurements, market analyses, data and quotation services, all of which are believed to be helpful in the overall discharge of UOB Asset Management’s duties to clients. As such services generally benefit all of UOB Asset Management’s clients in terms of input into the investment decision making process, the soft credits utilised are not allocated on a specific client basis. The Manager confirms that trades were executed on a best execution basis and there was no churning of trades.

**United China A-Shares Innovation Fund**  
(Constituted under a Trust Deed in the Republic of Singapore)

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**N) Where the scheme offers pre-determined payouts, an explanation on the calculation of the actual payouts received by participants and any significant deviation from the pre-determined payouts**

N/A

# United China A-Shares Consumption Upgrade Fund

(Constituted under a Trust Deed in the Republic of Singapore)

## A) Fund Performance

### Class JPY Acc

Fund Performance/ Benchmark Returns	3 mth % Growth	6 mth % Growth	1 yr % Growth	3 yr Ann Comp Ret	5 yr Ann Comp Ret	10 yr Ann Comp Ret	Since Inception 3 August 2020 Ann Comp Ret
United China A-Shares Consumption Upgrade Fund	-	-	-	-	-	-	-
Benchmark	-	-	-	-	-	-	-

Source: Morningstar.

Note: The performance returns of the Fund are in Japanese Yen based on a NAV-to-NAV basis with dividends and distributions reinvested, if any.

The benchmark of the Fund: There is no benchmark for the Sub-Fund as Manager is of the view that there is no appropriate benchmark for the Sub-Fund.

For the twelve months ending 31 December 2022, the net asset value (NAV) of the Fund fell 17.47% in JPY terms.

Positive contribution from **Consumer Discretionary** sector was dragged by allocation to **Information Technology** and **Health Care**, hence impacting the Fund's performance.

In terms of stocks, the top contributors to performance include **Kunshan Kinglai Hygienic Materials**, **Bethel Automotive Safety Systems Co Ltd** and **Ningbo Jifeng Auto Parts Co Ltd**. The key performance detractors were **Chaozhou Three-Circle Group Co Ltd**, **Jiangsu Zhongtian Technology** and **Wuhu Token Science Co Ltd**.

As at 31 December 2022, the Fund had the following sector allocation: **Consumer Staples** (35.72%), **Industrials** (19.73%), **Information Technology** (14.47%), **Health Care** (14.32%), **Consumer Discretionary** (14.17%), with the remainder in cash (1.59%).

The Fund had the following country exposures: **China** (98.41%) and the remainder in cash (1.59%).

### Economic and Market Review

In the twelve-month period under review ended 31 December 2022, **China** markets were volatile and were dominated by renewed COVID woes, escalation of geopolitical tension with **US** and **Taiwan** as well as a troubled property market. Nevertheless, the avalanche of government support for **Real Estate** sector provided downside cushion and news of easing epidemic control measures and border reopening were cheered by investors. The Chinese equity markets bottomed out and staged a strong rebound since November.

# United China A-Shares Consumption Upgrade Fund

(Constituted under a Trust Deed in the Republic of Singapore)

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## A) Fund Performance (continued)

President Xi was elected for a third term as the Party leader at the 20th Party Congress, which signals core leadership strengthening and policy continuity. On monetary policy, the PBoC stated that the degree of monetary policy support should be at least on par with 2022 and will be strengthened if necessary. Unless economic growth and inflationary pressure exceeded expectations, we expect liquidity condition to remain accommodative. On fiscal policy, Ministry of Finance vowed proper expansion of fiscal spending and improving tax support policies to support firms in 2023. We see front-loading of infrastructure investments and direct transfers to spur household consumption.

Since mid-December, market turnover has reduced as positive news of **China's** pivot from its 'Zero-COVID policy' to 'living with COVID' was tempered by concerns over the surge in COVID infections and near-term growth headwinds from virus fears. We expect market sentiment to gradually improve after infection cases peaked and consumption should rebound with reopening and the release of excess savings.

## Outlook and Fund Strategy

We are optimistic about the fundamentals and prospects of the Chinese markets and 'A' shares. The risk/reward has turned more attractive as policy tone becomes more business-friendly and regulatory concerns appear overdone, with upside from a faster-than-expected reopening. Better-than-expected December economic data and Q4 GDP despite large waves of COVID cases after reopening should provide investor confidence. We expect accommodative monetary policy and expansionary fiscal measures to support growth in 2023.

At an early stage, our investment portfolio expanded from consumption upgrade and traditional consumer medicine fields to manufacturing upgrade fields such as new energy. We will continue to construct the portfolio with allocations to consumption upgrade and manufacturing upgrade industries in the future.

With a medium to long-term perspective in mind, we will focus on industry-leading companies that are in line with the general direction of consumption upgrade and manufacturing automation. We will closely track and monitor changes in fundamentals and valuation levels to dynamically adjust the allocation ratio of leading companies in the sub-industries.

Key downside risks to our more constructive stance on **China** markets include a slower-than-expected recovery in **China's** economy, bigger-than-expected tail risk from the **Real Estate** sector, a drastic increase in debt risk from LGFV (Local Government Financing Vehicles) and a worsening geopolitical rivalry between **US-China**. A severe **US** recession also represents downside risk to our view.

**United China A-Shares Consumption Upgrade Fund**  
(Constituted under a Trust Deed in the Republic of Singapore)

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**B) Investments at fair value and as a percentage of net asset value (“NAV”) as at 31 December 2022 under review classified by**

**i) Country**

	Fair Value (S\$)	% of NAV
China	46,523,281	98.41
Portfolio of investments	46,523,281	98.41
Other net assets/(liabilities)	752,073	1.59
<b>Total</b>	<b>47,275,354</b>	<b>100.00</b>

**ii) Industry**

	Fair Value (S\$)	% of NAV
Consumer Discretionary	6,697,147	14.17
Consumer Staples	16,886,208	35.72
Health Care	6,772,144	14.32
Industrials	9,326,641	19.73
Information Technology	6,841,141	14.47
Portfolio of investments	46,523,281	98.41
Other net assets/(liabilities)	752,073	1.59
<b>Total</b>	<b>47,275,354</b>	<b>100.00</b>

**iii) Asset Class**

	Fair Value (S\$)	% of NAV
Quoted equities	46,523,281	98.41
Other net assets/(liabilities)	752,073	1.59
<b>Total</b>	<b>47,275,354</b>	<b>100.00</b>

**iv) Credit rating of quoted bonds**

N/A

**United China A-Shares Consumption Upgrade Fund**  
(Constituted under a Trust Deed in the Republic of Singapore)

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**C) Top Ten Holdings**

10 largest holdings as at 31 December 2022

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
ANJOY FOODS GROUP CO LTD	4,241,266	8.97
KWEICHOW MOUTAI CO LTD	3,799,391	8.04
LUZHOU LAOJIAO CO LTD	3,383,762	7.16
SUZHOU SUSHI TESTING GROUP CO LTD	2,962,535	6.27
NINESTAR CORP	2,937,286	6.21
NINGBO JIFENG AUTO PARTS CO LTD	2,633,881	5.57
TSINGTAO BREWERY CO LTD	2,625,324	5.55
BETHEL AUTOMOTIVE SAFETY SYSTEMS CO LTD	2,344,797	4.96
MINGYUE OPTICAL LENS CO LTD	2,251,200	4.76
AVIC HEAVY MACHINERY CO LTD	2,134,291	4.52

10 largest holdings as at 31 December 2021

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
KWEICHOW MOUTAI CO LTD	10,104,996	8.95
LUZHOU LAOJIAO CO LTD	6,508,553	5.76
YEALINK NETWORK TECHNOLOGY CO LTD	6,362,795	5.63
CONTEMPORARY AMPEREX TECHNOLOGY CO LTD	5,932,888	5.25
CHAOZHOU THREE-CIRCLE GROUP CO LTD	5,526,133	4.89
GOERTEK INC	5,208,169	4.61
EAST MONEY INFORMATION CO LTD	5,193,147	4.60
WUHU TOKEN SCIENCE CO LTD	5,152,531	4.56
NINGBO JIFENG AUTO PARTS CO LTD	5,010,588	4.44
FU JIAN ANJOY FOODS CO LTD	4,573,421	4.05



**United China A-Shares Consumption Upgrade Fund**  
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**D) Exposure to derivatives**

The global exposure relating to derivative instruments is calculated using the commitment approach:

- (i) the absolute value of the exposure of each individual financial derivative not involved in netting or hedging arrangements;
- (ii) the absolute value of the net exposure of each individual financial derivative after netting or hedging arrangements; and
- (iii) the sum of the values of cash collateral received under certain cases.

i) Fair value of derivative contracts and as a percentage of NAV as at 31 December 2022

N/A

ii) There was a net realised loss of SGD 671,112 on derivative contracts during the financial year ended 31 December 2022.

iii) Net gains/(losses) on outstanding derivative contracts marked to market as at 31 December 2022

N/A

**E) Amount and percentage of NAV invested in other schemes as at 31 December 2022**

N/A

**F) Amount and percentage of borrowings to NAV as at 31 December 2022**

N/A

**G) Amount of redemptions and subscriptions for the financial year ended 31 December 2022**

Total amount of redemptions	SGD	60,160,518
Total amount of subscriptions	SGD	23,848,678

**H) The amount and terms of related-party transactions for the financial year ended 31 December 2022**

Please refer to Note 10 of the Notes to the Financial Statements.

**I) Expense ratios**

Please refer to Note 11 of the Notes to the Financial Statements.

**United China A-Shares Consumption Upgrade Fund**  
(Constituted under a Trust Deed in the Republic of Singapore)

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**J) Turnover ratios**

Please refer to Note 11 of the Notes to the Financial Statements.

**K) Any material information that will adversely impact the valuation of the scheme such as contingent liabilities of open contracts**

N/A

**L) For schemes which invest more than 30% of their deposited property in another scheme, the following key information on the second-mentioned scheme (“the underlying scheme”)<sup>1</sup> should be disclosed as well**

i) Top 10 holdings at fair value and as percentage of NAV as at 31 December 2022 and 31 December 2021

N/A

ii) Expense ratios for the financial year ended 31 December 2022 and 31 December 2021

N/A

iii) Turnover ratios for the financial year ended 31 December 2022 and 31 December 2021

N/A

<sup>1</sup> *Where the underlying scheme is managed by a foreign manager which belongs to the same group of companies as, or has a formal arrangement or investment agreement with, the Singapore manager, the above information should be disclosed on the underlying scheme. In other cases, such information on the underlying scheme should be disclosed only if it is readily available to the Singapore manager.*

**M) Soft dollar commissions/arrangements**

UOB Asset Management and Ping An Fund Management have entered into soft dollars arrangements with selected brokers from whom products and services are received from third parties. The products and services relate essentially to computer hardware and software to the extent that they are used to support the investment decision making process, research and advisory services, economic and political analyses, portfolio analyses including performance measurements, market analyses, data and quotation services, all of which are believed to be helpful in the overall discharge of UOB Asset Management’s duties to clients. As such services generally benefit all of UOB Asset Management’s clients in terms of input into the investment decision making process, the soft credits utilised are not allocated on a specific client basis. The Manager confirms that trades were executed on a best execution basis and there was no churning of trades.

**United China A-Shares Consumption Upgrade Fund**  
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**N) Where the scheme offers pre-determined payouts, an explanation on the calculation of the actual payouts received by participants and any significant deviation from the pre-determined payouts**

N/A

**United China Onshore Funds**  
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**REPORT OF THE TRUSTEE**

The Trustee is under a duty to take into custody and hold the assets of the sub-funds of United China Onshore Funds, namely United China A-Shares Innovation Fund and United China A-Shares Consumption Upgrade Fund (collectively referred to as the “Sub-Funds”) in trust for the unitholders. In accordance with the Securities and Futures Act 2001, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting year and report thereon to unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Sub-Funds during the financial year covered by these financial statements, set out on pages 24 to 69, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee  
STATE STREET TRUST (SG) LIMITED

Authorised signatory  
24 March 2023

**United China Onshore Funds**  
(Constituted under a Trust Deed in the Republic of Singapore)

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**STATEMENT BY THE MANAGER**

In the opinion of UOB Asset Management Ltd, the accompanying financial statements set out on pages 24 to 69, comprising the Statements of Total Return, Statements of Financial Position, Statements of Movements of Unitholders' Funds, Statements of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial positions and portfolio holdings of the sub-funds of United China Onshore Funds, namely United China A-Shares Innovation Fund and United China A-Shares Consumption Upgrade Fund (collectively referred to as the "Sub-Funds") as at 31 December 2022, and the financial performance and movements of unitholders' funds for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Sub-Funds will be able to meet their financial obligations as and when they materialise.

For and on behalf of the Manager  
UOB ASSET MANAGEMENT LTD

THIO BOON KIAT  
Authorised signatory  
24 March 2023

## **INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE SUB-FUNDS OF UNITED CHINA ONSHORE FUNDS**

### ***Our Opinion***

In our opinion, the accompanying financial statements of the sub-funds of United China Onshore Funds, namely United China A-Shares Innovation Fund and United China A-Shares Consumption Upgrade Fund (collectively referred to as the "Sub-Funds"), are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants, so as to present fairly, in all material respects, the financial positions and portfolio holdings of the Sub-Funds as at 31 December 2022, and the financial performance and movements of unitholders' funds for the financial year ended 31 December 2022.

### ***What we have audited***

The financial statements of the Sub-Funds comprise:

- the Statements of Total Return for the financial year ended 31 December 2022;
- the Statements of Financial Position as at 31 December 2022;
- the Statements of Movements of Unitholders' Funds for the financial year ended 31 December 2022;
- the Statements of Portfolio as at 31 December 2022; and
- the Notes to the Financial Statements, including a summary of significant accounting policies.

### ***Basis for Opinion***

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Independence***

We are independent of the Sub-Funds in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

## **INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE SUB-FUNDS OF UNITED CHINA ONSHORE FUNDS**

### ***Other Information***

The Sub-Funds' Manager (the "Manager") is responsible for the other information. The other information comprises all sections of the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### ***Responsibilities of the Manager for the Financial Statements***

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Sub-Funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Sub-Funds or to cease the Sub-Funds' operations, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Sub-Funds' financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## **INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE SUB-FUNDS OF UNITED CHINA ONSHORE FUNDS**

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Sub-Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



**INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE SUB-FUNDS OF UNITED CHINA ONSHORE FUNDS**

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP  
Public Accountants and Chartered Accountants  
Singapore, 24 March 2023

**United China Onshore Funds**  
(Constituted under a Trust Deed in the Republic of Singapore)

**STATEMENTS OF TOTAL RETURN**

For the financial year ended 31 December 2022

	Note	United China A-Shares Innovation Fund		United China A-Shares Consumption Upgrade Fund	
		2022	2021	2022	2021
		\$	\$	\$	\$
<b>Income</b>					
Dividends		4,714,448	5,458,303	605,829	1,585,013
Interest		<u>133,040</u>	<u>247,878</u>	<u>21,352</u>	<u>56,157</u>
<b>Total</b>		<u>4,847,488</u>	<u>5,706,181</u>	<u>627,181</u>	<u>1,641,170</u>
<b>Less: Expenses</b>					
Management fee	10	4,439,636	6,086,781	445,419	1,350,768
Less: Management fee rebate	10	(6,943)	-	-	-
Trustee fee	10	167,983	260,832	24,640	77,113
Audit fee		16,286	16,053	15,846	15,965
Registrar fee	10	25,000	24,966	25,000	24,965
Valuation fee	10	825,256	1,571,147	121,638	450,256
Custody fee	10	427,606	673,941	77,720	205,069
Transaction costs		1,126,473	2,340,701	472,172	1,939,976
Other expenses		<u>101,518</u>	<u>154,863</u>	<u>41,247</u>	<u>116,749</u>
<b>Total</b>		<u>7,122,815</u>	<u>11,129,284</u>	<u>1,223,682</u>	<u>4,180,861</u>
<b>Net income/(losses)</b>		<u>(2,275,327)</u>	<u>(5,423,103)</u>	<u>(596,501)</u>	<u>(2,539,691)</u>
<b>Net gains/(losses) on value of investments and financial derivatives</b>					
Net gains/(losses) on investments		(199,725,173)	(2,899,067)	(27,466,348)	(20,030,437)
Net gains/(losses) on financial derivatives		(1,942,952)	(1,511,802)	(671,112)	(205,253)
Net foreign exchange gains/(losses)		<u>(2,836,979)</u>	<u>4,550,240</u>	<u>(560,308)</u>	<u>847,993</u>
		<u>(204,505,104)</u>	<u>139,371</u>	<u>(28,697,768)</u>	<u>(19,387,697)</u>
<b>Total return/(deficit) for the financial year before income tax</b>		<u>(206,780,431)</u>	<u>(5,283,732)</u>	<u>(29,294,269)</u>	<u>(21,927,388)</u>
Less: Income tax (expense)/refund	3	<u>(484,544)</u>	<u>(592,950)</u>	<u>(62,647)</u>	<u>957,833</u>
<b>Total return/(deficit) for the financial year</b>		<u>(207,264,975)</u>	<u>(5,876,682)</u>	<u>(29,356,916)</u>	<u>(20,969,555)</u>

The accompanying notes form an integral part of these financial statements.

**United China Onshore Funds**  
(Constituted under a Trust Deed in the Republic of Singapore)

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**STATEMENTS OF FINANCIAL POSITION**

As at 31 December 2022

	Note	United China A-Shares Innovation Fund		United China A-Shares Consumption Upgrade Fund	
		2022	2021	2022	2021
		\$	\$	\$	\$
<b>Assets</b>					
Portfolio of investments		<b>350,251,607</b>	618,859,272	<b>46,523,281</b>	108,891,561
Receivables	5	<b>1,109,967</b>	5,646,564	<b>171,578</b>	121,624
Cash and bank balances		<b>18,905,630</b>	103,473,684	<b>8,009,208</b>	12,942,474
Margin accounts		<b>243,181</b>	352,356	<b>135,660</b>	174,508
<b>Total assets</b>		<b><u>370,510,385</u></b>	<u>728,331,876</u>	<b><u>54,839,727</u></b>	<u>122,130,167</u>
<b>Liabilities</b>					
Purchases awaiting settlement		-	13,541,946	-	-
Current income tax liabilities	3	-	-	<b>7,360,000</b>	7,360,000
Payables	6	<b>1,513,513</b>	3,011,441	<b>204,373</b>	1,826,057
<b>Total liabilities</b>		<b><u>1,513,513</u></b>	<u>16,553,387</u>	<b><u>7,564,373</u></b>	<u>9,186,057</u>
<b>Equity</b>					
<b>Net assets attributable to unitholders</b>	7	<b><u>368,996,872</u></b>	<u>711,778,489</u>	<b><u>47,275,354</u></b>	<u>112,944,110</u>

*The accompanying notes form an integral part of these financial statements.*

**United China Onshore Funds**  
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**STATEMENTS OF MOVEMENTS OF UNITHOLDERS' FUNDS**

For the financial year ended 31 December 2022

	Note	United China A-Shares Innovation Fund		United China A-Shares Consumption Upgrade Fund	
		2022	2021	2022	2021
		\$	\$	\$	\$
<b>Net assets attributable to unitholders at the beginning of the financial year</b>		<b>711,778,489</b>	411,172,703	<b>112,944,110</b>	291,906,054
<b>Operations</b>					
Change in net assets attributable to unitholders resulting from operations		<b>(207,264,975)</b>	(5,876,682)	<b>(29,356,916)</b>	(20,969,555)
<b>Unitholders' contributions/(withdrawals)</b>					
Creation of units		<b>110,674,812</b>	976,736,599	<b>23,848,678</b>	83,263,778
Cancellation of units		<b>(246,191,454)</b>	(670,254,131)	<b>(60,160,518)</b>	(241,256,167)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		<b>(135,516,642)</b>	306,482,468	<b>(36,311,840)</b>	(157,992,389)
Total increase/(decrease) in net assets attributable to unitholders		<b>(342,781,617)</b>	300,605,786	<b>(65,668,756)</b>	(178,961,944)
<b>Net assets attributable to unitholders at the end of the financial year</b>	7	<b>368,996,872</b>	711,778,489	<b>47,275,354</b>	112,944,110

The accompanying notes form an integral part of these financial statements.

**United China Onshore Funds**  
(Constituted under a Trust Deed in the Republic of Singapore)

**STATEMENTS OF PORTFOLIO**

As at 31 December 2022

	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
<b>United China A-Shares Innovation Fund</b>			
<b>By Industry - Primary</b>			
<b>Quoted unit trusts</b>			
<b>UNIT TRUSTS</b>			
UOBAM PING AN CHINEXT ETF	11,000,000	10,714,000	2.90
<b>Quoted equities</b>			
<b>CONSUMER DISCRETIONARY</b>			
BYD CO LTD	228,200	11,313,594	3.06
CHANGZHOU XINGYU AUTOMOTIVE LIGHTING SYSTEMS CO LTD	357,488	8,784,785	2.38
JASON FURNITURE (HANGZHOU) CO LTD	1,041,770	8,584,281	2.33
SAILUN GROUP CO LTD	7,847,821	15,171,179	4.11
XILINMEN FURNITURE CO LTD	1,419,642	<u>7,819,653</u>	<u>2.12</u>
<b>TOTAL CONSUMER DISCRETIONARY</b>		<b><u>51,673,492</u></b>	<b><u>14.00</u></b>
<b>CONSUMER STAPLES</b>			
GUANGDONG HAID GROUP CO LTD	104,744	1,247,464	0.34
INNER MONGOLIA YILI INDUSTRIAL GROUP CO LTD	300	1,794	0.00
KWEICHOW MOUTAI CO LTD	38,756	12,913,198	3.50
SHANXI XINGHUACUN FEN WINE FACTORY CO LTD	354,298	<u>19,480,533</u>	<u>5.28</u>
<b>TOTAL CONSUMER STAPLES</b>		<b><u>33,642,989</u></b>	<b><u>9.12</u></b>
<b>FINANCIALS</b>			
BANK OF NINGBO CO LTD	3,644,721	22,818,207	6.18
CHINA MERCHANTS BANK CO LTD	2,536,000	18,230,334	4.94

The accompanying notes form an integral part of these financial statements.

**United China Onshore Funds**  
(Constituted under a Trust Deed in the Republic of Singapore)

**STATEMENTS OF PORTFOLIO**

As at 31 December 2022

	<b>United China A-Shares Innovation Fund</b>		
	<b>Holdings at 31 December 2022</b>	<b>Fair value at 31 December 2022 \$</b>	<b>Percentage of total net assets attributable to unitholders at 31 December 2022 %</b>
<b>By Industry - Primary (continued)</b>			
<b>Quoted equities</b>			
<b>FINANCIALS (continued)</b>			
EAST MONEY INFORMATION CO LTD	1,564,400	5,855,339	1.59
INDUSTRIAL BANK CO LTD	2,219,000	<u>7,530,532</u>	<u>2.04</u>
<b>TOTAL FINANCIALS</b>		<b><u>54,434,412</u></b>	<b><u>14.75</u></b>
<b>INDUSTRIALS</b>			
BEIJING UNITED INFORMATION TECHNOLOGY CO LTD	856,900	14,621,146	3.96
CONTEMPORARY AMPEREX TECHNOLOGY CO LTD	168,546	12,793,148	3.47
MONALISA GROUP CO LTD	1,347,809	4,675,419	1.27
NANTONG JIANGHAI CAPACITOR CO LTD	2,178,700	9,402,989	2.55
SANY HEAVY INDUSTRY CO LTD	2,366,900	7,215,053	1.95
SHANGHAI LIANGXIN ELECTRICAL CO LTD	1,052,600	2,975,113	0.81
SHENZHEN INOVANCE TECHNOLOGY CO LTD	809,701	<u>10,857,054</u>	<u>2.94</u>
<b>TOTAL INDUSTRIALS</b>		<b><u>62,539,922</u></b>	<b><u>16.95</u></b>
<b>INFORMATION TECHNOLOGY</b>			
LONGI GREEN ENERGY TECHNOLOGY CO LTD	320,158	2,610,336	0.71
LONGSHINE TECHNOLOGY GROUP	4,060,202	17,217,808	4.67
LUXSHARE PRECISION INDUSTRY CO LTD	977,100	5,985,291	1.62
SG MICRO CORP	150,600	5,014,969	1.36
THUNDER SOFTWARE TECHNOLOG CO LTD	193,700	3,748,289	1.01

The accompanying notes form an integral part of these financial statements.

## United China Onshore Funds

(Constituted under a Trust Deed in the Republic of Singapore)

### STATEMENTS OF PORTFOLIO

As at 31 December 2022

	United China A-Shares Innovation Fund		
	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
<b>By Industry - Primary (continued)</b>			
<b>Quoted equities</b>			
<b>INFORMATION TECHNOLOGY (continued)</b>			
XIAMEN FARATRONIC CO LTD	381,406	11,764,790	3.19
<b>TOTAL INFORMATION TECHNOLOGY</b>		<b>46,341,483</b>	<b>12.56</b>
<b>MATERIALS</b>			
ANHUI HONGLU STEEL CONSTRUCTION (GROUP) CO LTD	2,228,600	12,593,720	3.41
BEIJING ORIENTAL YUHONG WATERPROOF TECHNOLOGY CO LTD	3,539,850	22,926,551	6.22
GANFENG LITHIUM GROUP CO LTD	1,150,900	15,434,317	4.18
JIANGSU YANGNONG CHEMICAL CO LTD	374,104	7,499,122	2.03
SHENZHEN SENIOR TECHNOLOGY MATERIAL CO LTD	847,937	3,477,998	0.94
SHENZHEN YUTO PACKAGING TECHNOLOGY CO LTD	885,500	5,649,699	1.53
SKSHU PAINT CO LTD	372,060	8,170,944	2.22
WANHUA CHEMICAL GROUP CO LTD	639,124	11,424,391	3.10
YUNNAN ENERGY NEW MATERIAL CO LTD	147,200	3,728,567	1.01
<b>TOTAL MATERIALS</b>		<b>90,905,309</b>	<b>24.64</b>
<b>Total Equities</b>		<b>339,537,607</b>	<b>92.02</b>
<b>Portfolio of investments</b>		<b>350,251,607</b>	<b>94.92</b>
<b>Other net assets/(liabilities)</b>		<b>18,745,265</b>	<b>5.08</b>
<b>Net assets attributable to unitholders</b>		<b>368,996,872</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.

**United China Onshore Funds**  
(Constituted under a Trust Deed in the Republic of Singapore)

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**STATEMENTS OF PORTFOLIO**

As at 31 December 2022

	<b>United China A-Shares Innovation Fund</b>	
	<b>Percentage of total net assets attributable to unitholders at 31 December 2022 %</b>	<b>Percentage of total net assets attributable to unitholders at 31 December 2021 %</b>
<b>By Industry - Primary (Summary)</b>		
<b>Quoted equities and unit trusts</b>		
Consumer Discretionary	<b>14.00</b>	4.09
Consumer Staples	<b>9.12</b>	14.50
Financials	<b>14.75</b>	5.61
Health Care	-	6.09
Industrials	<b>16.95</b>	16.57
Information Technology	<b>12.56</b>	23.62
Materials	<b>24.64</b>	8.20
Real Estate	-	4.38
Unit Trusts	<b>2.90</b>	-
Utilities	-	<u>3.89</u>
<b>Portfolio of investments</b>	<b>94.92</b>	86.95
<b>Other net assets/(liabilities)</b>	<b>5.08</b>	<u>13.05</u>
<b>Net assets attributable to unitholders</b>	<b>100.00</b>	<u>100.00</u>

*The accompanying notes form an integral part of these financial statements.*



**United China Onshore Funds**  
(Constituted under a Trust Deed in the Republic of Singapore)

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**STATEMENTS OF PORTFOLIO**

As at 31 December 2022

	<b>United China A-Shares Innovation Fund</b>		
<b>Fair value at 31 December 2022 \$</b>	<b>Percentage of total net assets attributable to unitholders at 31 December 2022 %</b>	<b>Percentage of total net assets attributable to unitholders at 31 December 2021 %</b>	
<b>By Geography - Secondary</b>			
<b>Quoted equities and unit trusts</b>			
China	339,537,607	92.02	86.95
Singapore	<u>10,714,000</u>	<u>2.90</u>	-
<b>Portfolio of investments</b>	<b>350,251,607</b>	<b>94.92</b>	86.95
<b>Other net assets/(liabilities)</b>	<b>18,745,265</b>	<b>5.08</b>	13.05
<b>Net assets attributable to unitholders</b>	<b><u>368,996,872</u></b>	<b><u>100.00</u></b>	<u>100.00</u>

*The accompanying notes form an integral part of these financial statements.*

**United China Onshore Funds**  
(Constituted under a Trust Deed in the Republic of Singapore)

**STATEMENTS OF PORTFOLIO**

As at 31 December 2022

**United China A-Shares Consumption Upgrade Fund**

	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
<b>By Industry - Primary</b>			
<b>Quoted equities</b>			
<b>CONSUMER DISCRETIONARY</b>			
BETHEL AUTOMOTIVE SAFETY SYSTEMS CO LTD	152,300	2,344,797	4.96
CHINA TOURISM GROUP DUTY FREE CORP LTD	14,100	587,673	1.25
NINGBO JIFENG AUTO PARTS CO LTD	893,450	2,633,881	5.57
ZHEJIANG SHUANGHUAN DRIVELINE CO LTD	230,300	<u>1,130,796</u>	<u>2.39</u>
<b>TOTAL CONSUMER DISCRETIONARY</b>		<u><b>6,697,147</b></u>	<u><b>14.17</b></u>
<b>CONSUMER STAPLES</b>			
ANJOY FOODS GROUP CO LTD	135,800	4,241,266	8.97
JIANGSU KING'S LUCK BREWERY JSC LTD	109,400	1,074,330	2.27
KWEICHOW MOUTAI CO LTD	11,403	3,799,391	8.04
LUZHOU LAOJIAO CO LTD	78,200	3,383,762	7.16
TSINGTAO BREWERY CO LTD	126,582	2,625,324	5.55
YUNNAN BOTANEE BIO TECHNOLOGY GROUP CO LTD	61,200	<u>1,762,135</u>	<u>3.73</u>
<b>TOTAL CONSUMER STAPLES</b>		<u><b>16,886,208</b></u>	<u><b>35.72</b></u>
<b>HEALTH CARE</b>			
CHONGQING ZHIFEI BIOLOGICAL PRODUCTS CO LTD	94,000	1,592,844	3.37
HUBEI JUMPCAN PHARMACEUTICAL CO LTD	345,308	1,813,415	3.83
MINGYUE OPTICAL LENS CO LTD	185,154	2,251,200	4.76

The accompanying notes form an integral part of these financial statements.

**United China Onshore Funds**  
(Constituted under a Trust Deed in the Republic of Singapore)

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**STATEMENTS OF PORTFOLIO**

As at 31 December 2022

	<b>United China A-Shares Consumption Upgrade Fund</b>		<b>Percentage of total net assets attributable to unitholders at 31 December 2022</b>
	<b>Holdings at 31 December 2022</b>	<b>Fair value at 31 December 2022</b>	<b>%</b>
		<b>\$</b>	
<b>By Industry - Primary (continued)</b>			
<b>Quoted equities</b>			
<b>HEALTH CARE (continued)</b>			
YIPINHONG PHARMACEUTICAL CO LTD	167,080	<u>1,114,685</u>	<u>2.36</u>
<b>TOTAL HEALTH CARE</b>		<u><b>6,772,144</b></u>	<u><b>14.32</b></u>
<b>INDUSTRIALS</b>			
AVIC HEAVY MACHINERY CO LTD	355,820	2,134,291	4.52
BEIJING CAREER INTERNATIONAL CO LTD	176,600	1,669,511	3.53
FOCUSED PHOTONICS HANGZHOU	244,500	1,599,120	3.38
MING YANG SMART ENERGY GROUP LTD	115,300	561,908	1.19
NINGBO SANXING MEDICAL ELECTRIC CO LTD	727,300	1,891,499	4.00
SUPLET POWER CO LTD	179,400	<u>1,470,312</u>	<u>3.11</u>
<b>TOTAL INDUSTRIALS</b>		<u><b>9,326,641</b></u>	<u><b>19.73</b></u>
<b>INFORMATION TECHNOLOGY</b>			
AVIC JONHON OPTRONIC TECHNOLOGY CO LTD	28,700	319,824	0.68
HENGTONG OPTIC ELECTRIC CO	213,900	621,496	1.31
NINESTAR CORP	293,400	2,937,286	6.21

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**United China Onshore Funds**  
(Constituted under a Trust Deed in the Republic of Singapore)

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**STATEMENTS OF PORTFOLIO**

As at 31 December 2022

	<b>United China A-Shares Consumption Upgrade Fund</b>	
	<b>Holdings at 31 December 2022</b>	<b>Fair value at 31 December 2022 \$</b>
		<b>Percentage of total net assets attributable to unitholders at 31 December 2022 %</b>
<b>By Industry - Primary (continued)</b>		
<b>Quoted equities</b>		
<b>INFORMATION TECHNOLOGY (continued)</b>		
SUZHOU SUSHI TESTING GROUP CO LTD	509,300	<u>2,962,535</u>
		<u>6.27</u>
<b>TOTAL INFORMATION TECHNOLOGY</b>		<u><b>6,841,141</b></u>
		<u><b>14.47</b></u>
<b>Total Equities</b>		<u><b>46,523,281</b></u>
		<u><b>98.41</b></u>
<b>Portfolio of investments</b>		<u><b>46,523,281</b></u>
		<u><b>98.41</b></u>
<b>Other net assets/(liabilities)</b>		<u><b>752,073</b></u>
		<u><b>1.59</b></u>
<b>Net assets attributable to unitholders</b>		<u><b>47,275,354</b></u>
		<u><b>100.00</b></u>

*The accompanying notes form an integral part of these financial statements.*

**United China Onshore Funds**  
(Constituted under a Trust Deed in the Republic of Singapore)

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**STATEMENTS OF PORTFOLIO**

As at 31 December 2022

	<b>United China A-Shares Consumption Upgrade Fund</b>	
	<b>Percentage of total net assets attributable to unitholders at 31 December 2022 %</b>	Percentage of total net assets attributable to unitholders at 31 December 2021 %
<b>By Industry - Primary (Summary)</b>		
<b>Quoted equities</b>		
Consumer Discretionary	<b>14.17</b>	8.78
Consumer Staples	<b>35.72</b>	32.11
Financials	-	4.60
Health Care	<b>14.32</b>	5.37
Industrials	<b>19.73</b>	7.03
Information Technology	<b>14.47</b>	35.62
Materials	-	2.90
<b>Portfolio of investments</b>	<b>98.41</b>	96.41
<b>Other net assets/(liabilities)</b>	<b>1.59</b>	<b>3.59</b>
<b>Net assets attributable to unitholders</b>	<b>100.00</b>	100.00

**By Geography - Secondary**

**Quoted equities**

The Fund invests wholly in Chinese equities.

# **United China Onshore Funds**

(Constituted under a Trust Deed in the Republic of Singapore)

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## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

### **1 General**

United China Onshore Funds (the “Fund”) is a Singapore-registered umbrella fund constituted under a Trust Deed between UOB Asset Management Ltd (the “Manager”) and State Street Trust (SG) Limited (the “Trustee”). The Trust Deed is governed by the laws of the Republic of Singapore.

The Fund comprises two sub-funds, namely United China A-Shares Innovation Fund and United China A-Shares Consumption Upgrade Fund (collectively referred to as the “Sub-Funds” or individually referred to as the “Sub-Fund”).

The Sub-Funds’ investment objectives are stated below:

#### **United China A-Shares Innovation Fund**

The investment objective of the Sub-Fund is to achieve long-term capital appreciation by investing primarily in A-Shares of companies listed in the People’s Republic of China (“PRC”) which are beneficiaries of technology, innovation and trends.

The following classes of units have been established within the Sub-Fund:

- Class A SGD Acc
- Class A SGD Acc (Hedged)
- Class A USD Acc
- Class A USD Acc (Hedged)
- Class JPY Acc
- Class T USD Acc
- Class Z SGD Acc
- Class Z USD Acc
- Class Z RMB Acc

“Acc” refers to Accumulation classes which do not declare or pay distributions but accumulate investment gains and income in their net asset values.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

### 1 General (continued)

Hedged classes allow the Manager to adopt currency hedging strategies and use currency hedging transactions to reduce the effect of exchange rate fluctuations between the currency in which the relevant Hedged classes is denominated against the currency in which the underlying investments are denominated. The costs and expenses associated with the hedging transactions and any benefits of the hedging transactions will accrue to the hedged classes only.

Class A, Class JPY and Class T units are subject to management fee of 1.75%, 0.60% and 0.65% per annum respectively. The minimum initial subscription amount of Class A, Class JPY, Class T and Class Z units is (USD 1,000 / SGD 1,000), (JPY 100,000), (USD 100,000) and (USD 1,000,000 / SGD 1,000,000 / RMB 5,000,000) respectively, the minimum subsequent subscription amount of Class A, Class JPY and Class Z units is (USD 500 / SGD 500), (JPY 100,000), (USD 50,000) and (USD 500,000 / SGD 500,000 / RMB 2,500,000) respectively.

Subscriptions and redemptions of the units are denominated in the Singapore Dollar, the United States Dollar, the Japanese Yen and Chinese Yuan.

As at 31 December 2022, the Sub-Fund has issued Class A SGD Acc, Class A USD Acc, Class JPY Acc and Class T USD Acc units.

### United China A-Shares Consumption Upgrade Fund

The investment objective of the Sub-Fund is to achieve long-term capital appreciation by investing primarily in A-Shares of companies listed in the PRC which benefit from the consumption upgrade arising from rising wealth and income and changing demographics in the PRC.

The following classes of units have been established within the Sub-Fund:

- Class A SGD Acc
- Class A SGD Acc (Hedged)
- Class A USD Acc
- Class A USD Acc (Hedged)
- Class JPY Acc

"Acc" refers to Accumulation classes which do not declare or pay distributions but accumulate investment gains and income in their net asset values.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

### 1 General (continued)

Hedged classes allow the Manager to adopt currency hedging strategies and use currency hedging transactions to reduce the effect of exchange rate fluctuations between the currency in which the relevant Hedged classes is denominated against the currency in which the underlying investments are denominated. The costs and expenses associated with the hedging transactions and any benefits of the hedging transactions will accrue to the hedged classes only.

Class A and Class JPY units are subject to management fee of 1.75% and 0.60% per annum respectively. The minimum initial subscription amount of Class A and Class JPY units is (USD 1,000 / SGD 1,000) and (JPY 100,000) respectively, the minimum subsequent subscription amount of Class A and Class JPY units is (USD 500 / SGD 500) and (JPY 100,000) respectively.

Subscriptions and redemptions of the units are denominated in the Singapore Dollar, the United States Dollar and the Japanese Yen.

As at 31 December 2022, the Sub-Fund has only issued Class JPY Acc units.

### 2 Significant accounting policies

#### (a) Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial instruments at fair value, and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" ("RAP7") issued by the Institute of Singapore Chartered Accountants.

#### (b) Recognition of income

Dividend income is recognised when the right to receive payment is established. Interest income is recognised on a time proportion basis using the effective interest method.

#### (c) Investments

Investments are classified as financial assets at fair value through profit or loss.

##### (i) Initial recognition

Purchases of investments are recognised on the trade date. Investments are recorded at fair value on initial recognition.



## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

### **2 Significant accounting policies** (continued)

#### **(c) Investments** (continued)

##### *(ii) Subsequent measurement*

Investments are subsequently carried at fair value. Net changes in fair value on investments are included in the Statements of Total Return in the year in which they arise.

##### *(iii) Derecognition*

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sale of investments are computed on the basis of the difference between the weighted average cost and selling price gross of transaction costs, and are taken up in the Statements of Total Return.

#### **(d) Basis of valuation of investments**

The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the close of trading on the financial year end date. The quoted market price used for investments held by the Sub-Funds is the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of fair value.

The fair value of investments held in Investee Funds is the quoted net asset value of the Investee Funds as determined by the Investee Funds' administrator. Net changes in fair value of investments are included in the Statements of Total Return in the year in which they arise.

#### **(e) Foreign currency translation**

##### *(i) Functional and presentation currency*

The performance of the Sub-Funds is measured and reported to the investors in the Singapore Dollar. The Manager considers the Singapore Dollar as the currency of the primary economic environment in which the Sub-Funds operate. The financial statements are presented in the Singapore Dollar, which is the Sub-Funds' functional and presentation currency.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

### **2 Significant accounting policies** (continued)

#### **(e) Foreign currency translation** (continued)

##### *(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statements of Total Return. Translation differences on non-monetary financial assets and liabilities are also recognised in the Statements of Total Return within "Net gains/losses on investments".

#### **(f) Receivables**

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recognised at their fair value and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

#### **(g) Sales and purchases awaiting settlement**

Sales and purchases awaiting settlement represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the Statements of Financial Position date respectively. These amounts are recognised initially at fair value and subsequently measured at amortised cost.

#### **(h) Cash and bank balances**

Cash and bank balances comprise cash at banks which are subject to an insignificant risk of changes in value.

#### **(i) Payables**

Payables are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

#### **(j) Management fee rebates**

The management fees charged on investments in the Investee Fund managed by the Manager are rebated to the Sub-Fund.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

### **2 Significant accounting policies** (continued)

#### **(k) Financial derivatives**

Financial derivatives including forwards and swaps may be entered into for the purposes of efficient portfolio management, tactical asset allocation or specific hedging of financial assets held as determined by the Manager and in accordance with the provision of the Trust Deed and the Code on Collective Investment Schemes.

Financial derivatives outstanding on the financial year end date are valued at the forward rate or at the current market prices using the “mark-to-market” method, as applicable, and the resultant gains and losses are taken up in the Statements of Total Return.

#### **(l) Distributions**

The Manager has the absolute discretion to determine whether a distribution is to be made. In such an event, an appropriate amount will be transferred to a distribution account, to be paid out on the distribution date. The amount shall not be treated as part of the property of the Sub-Funds. Distributions are accrued for at the financial year end date if the necessary approvals have been obtained and a legal or constructive obligation has been created.

#### **(m) Structured entities**

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes: (a) restricted activities, (b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors, (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support and (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The Sub-Fund considers its investments in another fund (“Investee Fund”) to be investments in unconsolidated structured entities. The Sub-Fund invests in Investee Fund whose objective is to provide investment results that, before fees, costs and expenses (including any taxes and withholding taxes), closely correspond to the performance of the ChiNext Index. The Investee Fund is managed by related asset managers and the Investee Fund applies various investment strategies to accomplish its investment objective. The Investee Fund finances its operations by issuing redeemable shares which are puttable at the holder’s option and entitles the holder to a proportional stake in the respective fund’s net assets. The Sub-Fund holds redeemable shares in the Investee Fund.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

### 2 Significant accounting policies (continued)

#### (m) Structured entities (continued)

The change in fair value of the Investee Fund is included in the Statements of Total Return within “Net gains/losses on investments”.

#### (n) Income taxes

Current income tax for current year is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Statements of Financial Position date. The Manager periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax is measured at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the Statements of Financial Position date.

Current and deferred income taxes are recognised as income or expenses in the Statements of Total Return, except to the extent that the tax arises from a transaction which is recognised directly in net assets attributable to unitholders.

**United China Onshore Funds**  
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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**3 Income tax**

	<b>United China A-Shares Innovation Fund</b>		<b>United China A-Shares Consumption Upgrade Fund</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Tax expense attributable to profit is made up of:				
Under/(over) provision in prior financial year				
- Current income tax	-	-	-	7,360,000
- Deferred income tax (Note 4)	-	-	-	(8,483,000)
Singapore income tax	-	-	-	(1,123,000)
Add:				
- Overseas income tax	<b>484,544</b>	592,950	<b>62,647</b>	165,167
Total income tax	<b>484,544</b>	592,950	<b>62,647</b>	(957,833)

The overseas income tax represents tax withheld on foreign sourced income.

The Singapore income tax is levied at a flat rate of 17% on chargeable income.

**United China A-Shares Innovation Fund**

The Sub-Fund has been approved by the Monetary Authority of Singapore under the Enhanced-Tier Fund (“ETF”) Scheme (section 13U\* of the Income Tax Act and the relevant regulations) since 2 June 2020. Subject to certain conditions being met on an annual basis, the Sub-Fund may enjoy Singapore corporate income tax exemption on “specified income” derived from “designated investments” for the life of the Sub-Fund. The tax exemption does not apply in the period when the relevant conditions are not met. Losses from “designated investments” are correspondingly disregarded. The terms “specified income” and “designated investments” are defined in the relevant income tax regulations.

The Trustee of the Sub-Fund has assessed and is satisfied that the Sub-Fund has met the requisite conditions under the ETF Scheme for the current financial year. The Trustee of the Sub-Fund will also ensure that the Sub-Fund fulfills its reporting obligations under the ETF Scheme.

\* *The Singapore Attorney General issued the Revised Edition of Acts 2020 effective 31 December 2021 which streamlined and renumbered various Acts, including for the Income Tax Act. The ETF Scheme previously provided under section 13X of the Income Tax Act is now provided under section 13U of the Income Tax Act 1947.*

## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

### **3 Income tax (continued)**

#### **United China A-Shares Consumption Upgrade Fund**

The Manager had obtained clarification from the Inland Revenue Authority of Singapore (“IRAS”) and the Sub-Fund is required to comply with the tax treatment under FRS 109 for accounting purpose.

The Sub-Fund has been approved by the Monetary Authority of Singapore (MAS) under the Enhanced-Tier Fund (“ETF”) Scheme (section 13U of the Income Tax Act and the relevant regulations) since 25 March 2021. Subject to certain conditions being met on an annual basis, the Sub-Fund may enjoy Singapore corporate income tax exemption on “specified income” derived from “designated investments” for the life of the Sub-Fund. The tax exemption does not apply in the period when the relevant conditions are not met. Losses from “designated investments” are correspondingly disregarded. The terms “specified income” and “designated investments” are defined in the relevant income tax regulations.

The Trustee of the Sub-Fund has assessed and is satisfied that the Sub-Fund has met the requisite conditions under the ETF Scheme for the current financial year. The Trustee of the Sub-Fund will also ensure that the Sub-Fund fulfills its reporting obligations under the ETF Scheme.

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**3 Income tax** (continued)

(a) Income tax expense

The tax on profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	<b>United China A-Shares Consumption Upgrade Fund</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Profit before tax	-	<u>(21,927,388)</u>
Tax calculated at tax rate of 17%	-	(3,727,656)
Effects of:		
- expenses not deductible for tax purposes	-	710,746
- unutilised tax losses not carried forward	-	5,299,270
- income not subject to tax	-	(2,282,360)
- under/(over) provision of tax	-	<u>(1,123,000)</u>
Tax charge	-	<u>(1,123,000)</u>

(b) Movements in current income tax liabilities

	<b>United China A-Shares Consumption Upgrade Fund</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Beginning of financial year	<b>7,360,000</b>	-
Under/(over) provision in prior financial year	-	<u>7,360,000</u>
End of financial year	<b><u>7,360,000</u></b>	<u>7,360,000</u>

As at 31 December 2022 and 2021, the current income tax liabilities balance pertains to income tax payable to IRAS. Subsequent to year-end, the Sub-Fund settled the income tax payable in accordance with the Notice of Assessment dated 28 December 2022.

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**4 Deferred income tax**

**United China A-Shares Innovation Fund**

The Sub-Fund does not have deferred income tax liabilities provision nor does it have income tax liabilities.

**United China A-Shares Consumption Upgrade Fund**

	<b>United China A-Shares Consumption Upgrade Fund</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Beginning of financial year	-	8,483,000
Tax charged to:		
- Profit or loss	-	(8,483,000)
End of financial year	-	-

The movement in deferred income tax liabilities (prior to offsetting of balances) during the financial year is as follows:

*Deferred income tax liabilities*

	<b>United China A-Shares Consumption Upgrade Fund</b>	
	<b>Unrealised gains</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Beginning of financial year	-	8,483,000
Tax charged to:		
- Profit or loss	-	(8,483,000)
End of financial year	-	-



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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**5 Receivables**

	<b>United China A-Shares Innovation Fund</b>		<b>United China A-Shares Consumption Upgrade Fund</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	\$	\$	\$	\$
Amounts receivable for creation of units	<b>64,770</b>	5,036,890	-	-
Management fee rebate receivable	<b>6,943</b>	-	-	-
Other receivables	<b>1,038,254</b>	609,674	<b>171,578</b>	121,624
	<b>1,109,967</b>	5,646,564	<b>171,578</b>	121,624

**6 Payables**

	<b>United China A-Shares Innovation Fund</b>		<b>United China A-Shares Consumption Upgrade Fund</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	\$	\$	\$	\$
Amounts payable for cancellation of units	<b>275,715</b>	714,745	-	1,381,442
Amount due to the Manager	<b>1,006,532</b>	1,825,612	<b>94,824</b>	281,666
Amount due to Trustee	<b>33,141</b>	59,502	<b>4,578</b>	12,323
Tax payables	<b>39,945</b>	31,154	<b>29,321</b>	18,208
Other creditors and accrued expenses	<b>158,180</b>	380,428	<b>75,650</b>	132,418
	<b>1,513,513</b>	3,011,441	<b>204,373</b>	1,826,057

**United China Onshore Funds**  
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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**7 Units in issue**

During the financial years ended 31 December 2022 and 2021, the numbers of units issued, redeemed and outstanding were as follows:

	<b>United China A-Shares Innovation Fund</b>			
	<b>Class JPY Acc</b>		<b>Class A SGD Acc</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
Units at the beginning of the financial year	<b>1,113,459</b>	1,127,896	<b>38,969,140</b>	4,296,065
Units created	<b>290,629</b>	1,333,026	<b>32,770,295</b>	39,703,506
Units cancelled	<b>(766,480)</b>	(1,347,463)	<b>(27,634,138)</b>	(5,030,431)
Units at the end of the financial year	<b>637,608</b>	1,113,459	<b>44,105,297</b>	38,969,140
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Net assets attributable to unitholders (SGD equivalent)	<b>132,050,063</b>	336,137,520	<b>36,902,839</b>	48,118,403
Net assets value per unit (SGD equivalent)	<b>207.102</b>	301.885	<b>0.836</b>	1.234
Net assets attributable to unitholders (Class Currency)	<b>12,990,863,641</b>	28,711,876,692	<b>36,902,839</b>	48,118,403
Net assets value per unit (Class Currency)	<b>20,374.388</b>	25,786.199	<b>0.836</b>	1.234

**United China Onshore Funds**  
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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**7 Units in issue** (continued)

	<b>United China A-Shares Innovation Fund</b>			
	<b>Class A USD Acc</b>		<b>Class T USD Acc**</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
Units at the beginning of the financial year	<b>58,774,075</b>	48,860,891	<b>2,007,394</b>	-
Units created	<b>5,676,348</b>	102,092,856	-	2,795,835
Units cancelled	<b>(7,260,631)</b>	(92,179,672)	<b>(273,125)</b>	(788,441)
Units at the end of the financial year	<b><u>57,189,792</u></b>	<u>58,774,075</u>	<b><u>1,734,269</u></b>	<u>2,007,394</u>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Net assets attributable to unitholders (SGD equivalent)	<b>59,287,783</b>	89,922,367	<b>140,756,187</b>	237,600,199
Net assets value per unit (SGD equivalent)	<b>1.036</b>	1.529	<b>81.161</b>	118.362
Net assets attributable to unitholders (Class Currency)	<b>44,205,028</b>	66,700,565	<b>104,947,948</b>	176,241,663
Net assets value per unit (Class Currency)	<b>0.772</b>	1.134	<b>60.514</b>	87.796

\*\* Prior year disclosure for Class T USD Acc is covering the period from 19 February 2021 (date of inception) to 31 December 2021.

As at reporting date, there is 1 unitholder (2021: 1 unitholder) holding more than 50% of the units in issue of the Sub-Fund.

**United China Onshore Funds**  
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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**7 Units in issue** (continued)

A reconciliation of the net assets attributable to unitholders per unit per the financial statements and the net assets attributable to unitholders per unit for issuing/redeeming units at the financial year end date is prepared below:

	<b>United China A-Shares Innovation Fund</b>			
	<b>Class JPY Acc</b>		<b>Class A SGD Acc</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	\$	\$	\$	\$
Net assets attributable to unitholders per financial statements per unit	<b>207.102</b>	301.885	<b>0.836</b>	1.234
Effect of movement in the NAV between the last dealing date and the end of the reporting period*	<b>0.004</b>	-	-	-
Net assets attributable to unitholders for issuing/redeeming per unit	<b>207.106</b>	301.885	<b>0.836</b>	1.234
Net assets attributable to unitholders for issuing/redeeming per unit (Class Currency)	<b>20,374.807</b>	25,786.199	<b>0.836</b>	1.234

\* *The net asset value for the purpose of processing unit subscription and redemption was established in accordance with the methodology indicated in the Sub-Fund's Prospectus. This item reflects the movement in net asset value between such date and the end of the financial year.*

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**7 Units in issue** (continued)

	<b>United China A-Shares Innovation Fund</b>			
	<b>Class A USD Acc</b>		<b>Class T USD Acc**</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>\$</b>	\$	<b>\$</b>	\$
Net assets attributable to unitholders per financial statements per unit	<b>1.036</b>	1.529	<b>81.161</b>	118.362
Effect of movement in the NAV between the last dealing date and the end of the reporting period*	<u>-</u>	<u>-</u>	<u><b>0.002</b></u>	<u>-</u>
Net assets attributable to unitholders for issuing/redeeming per unit	<u><b>1.036</b></u>	<u>1.529</u>	<u><b>81.163</b></u>	<u>118.362</u>
Net assets attributable to unitholders for issuing/redeeming per unit (Class Currency)	<u><b>0.772</b></u>	<u>1.134</u>	<u><b>60.515</b></u>	<u>87.796</u>

\* The net asset value for the purpose of processing unit subscription and redemption was established in accordance with the methodology indicated in the Sub-Fund's Prospectus. This item reflects the movement in net asset value between such date and the end of the financial year.

\*\* Prior year disclosure for Class T USD Acc is covering the period from 19 February 2021 (date of inception) to 31 December 2021.

	<b>United China A-Shares Consumption Upgrade Fund</b>	
	<b>Class JPY Acc</b>	
	<b>2022</b>	2021
Units at the beginning of the financial year	<b>846,315</b>	1,920,067
Units created	<b>221,923</b>	535,608
Units cancelled	<u><b>(548,812)</b></u>	<u>(1,609,360)</u>
Units at the end of the financial year	<u><b>519,426</b></u>	<u>846,315</u>
	<b>\$</b>	\$
Net assets attributable to unitholders (SGD equivalent)	<b>47,275,354</b>	112,944,110
Net assets value per unit (SGD equivalent)	<b>91.014</b>	133.453
Net assets attributable to unitholders (Class Currency)	<b>4,650,870,006</b>	9,647,353,148
Net assets value per unit (Class Currency)	<b>8,953.873</b>	11,399.241

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**NOTES TO THE FINANCIAL STATEMENTS**

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**7 Units in issue** (continued)

As at reporting date, there is 1 unitholder (2021: 1 unitholder) holding more than 50% of the units in issue of the Sub-Fund.

A reconciliation of the net assets attributable to unitholders per unit per the financial statements and the net assets attributable to unitholders per unit for issuing/redeeming units at the financial year end date is prepared below:

	<b>United China A-Shares Consumption Upgrade Fund</b>	
	<b>Class JPY Acc</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Net assets attributable to unitholders per financial statements per unit	<b>91.014</b>	133.453
Effect of (over)/under provision of tax	-	5.861
Effect of movement in the NAV between the last dealing date and the end of the reporting period*	<b>0.002</b>	-
Effect of preliminary expenses	-	0.010
Net assets attributable to unitholders for issuing/redeeming per unit	<b>91.016</b>	<b>139.324</b>
Net assets attributable to unitholders for issuing/redeeming per unit (Class Currency)	<b>8,954.075</b>	<b>11,900.694</b>

\* *The net asset value for the purpose of processing unit subscription and redemption was established in accordance with the methodology indicated in the Sub-Fund's Prospectus. This item reflects the movement in net asset value between such date and the end of the financial year.*

**8 Financial risk management**

The Sub-Funds' activities expose them to a variety of market risk (including foreign exchange risk, price risk and interest rate risk), liquidity risk and credit risk. The Sub-Funds' overall risk management programme seeks to minimise potential adverse effects on the Sub-Funds' financial performance. The Sub-Funds may use financial futures contracts, financial options contracts and/or foreign currency contracts subject to the terms of the Trust Deed to moderate certain risk exposures. Specific guidelines on exposures to individual securities and certain industries are in place for the Sub-Funds at any time as part of the overall financial risk management to reduce the Sub-Funds' risk exposures.

The Sub-Funds' assets principally consist of financial instruments such as equity investments, investments in open-ended collective investment schemes which are also managed by the Manager and cash. They are held in accordance with the published investment policies of the Sub-Funds. The allocation of assets between the various types of investments is determined by the Manager to achieve their investment objectives.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

### **8 Financial risk management** (continued)

#### **(a) Market risk**

Market risk is the risk of loss arising from uncertainty concerning movements in market prices and rates, including observable variables such as interest rates, credit spreads, exchange rates, and others that may be only indirectly observable such as volatilities and correlations. Market risk includes such factors as changes in economic environment, consumption pattern and investor's expectation etc. which may have significant impact on the value of the investments. The Sub-Funds' investments are substantially dependent on changes in market prices and are monitored by the Manager on a regular basis so as to assess changes in fundamentals and valuation. Although the Manager makes reasonable efforts in the choice of investments, events beyond reasonable control of the Manager could affect the prices of the underlying investments and hence the asset value of the Sub-Funds. Guidelines are set to reduce the Sub-Funds' risk exposures to market volatility such as diversifying the portfolio by investing across various geographies and industries, alternatively, the Sub-Funds may be hedged using derivative strategies.

#### *(i) Foreign exchange risk*

The Sub-Funds have monetary financial assets and liabilities denominated in currencies other than the Singapore Dollar and it may be affected favourably or unfavourably by exchange rate regulations or changes in the exchange rates between the Singapore Dollar and such other currencies. The Manager may at his discretion, implement a currency management strategy either to reduce currency volatility or to hedge the currency exposures of the Sub-Funds.

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**8 Financial risk management** (continued)

**(a) Market risk** (continued)

*(i) Foreign exchange risk (continued)*

The tables below summarise the Sub-Funds' exposures to foreign currencies at the end of the financial year.

**United China A-Shares Innovation Fund**

**As at 31 December 2022**

	SGD \$	RMB \$	JPY \$	USD \$	Total \$
<b>Assets</b>					
Portfolio of investments	10,714,000	339,537,607	-	-	350,251,607
Receivables	1,109,967	-	-	-	1,109,967
Cash and bank balances	756,963	14,657,107	2,279,794	1,211,766	18,905,630
Margin accounts	-	243,181	-	-	243,181
<b>Total Assets</b>	<u>12,580,930</u>	<u>354,437,895</u>	<u>2,279,794</u>	<u>1,211,766</u>	<u>370,510,385</u>
<b>Liabilities</b>					
Payables	1,283,191	-	230,322	-	1,513,513
<b>Total Liabilities</b>	<u>1,283,191</u>	<u>-</u>	<u>230,322</u>	<u>-</u>	<u>1,513,513</u>
<b>Net currency exposure</b>	<u>11,297,739</u>	<u>354,437,895</u>	<u>2,049,472</u>	<u>1,211,766</u>	



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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**8 Financial risk management** (continued)

**(a) Market risk** (continued)

*(i) Foreign exchange risk (continued)*

United China A-Shares Innovation Fund  
As at 31 December 2021

	SGD	RMB	JPY	USD	Total
	\$	\$	\$	\$	\$
<b>Assets</b>					
Portfolio of investments	-	618,859,272	-	-	- 618,859,272
Receivables	5,646,564	-	-	-	5,646,564
Cash and bank balances	8,812,318	88,373,907	1,077,621	5,209,838	103,473,684
Margin accounts	-	<u>352,356</u>	-	-	<u>352,356</u>
<b>Total Assets</b>	<u>14,458,882</u>	<u>707,585,535</u>	<u>1,077,621</u>	<u>5,209,838</u>	<u>728,331,876</u>
<b>Liabilities</b>					
Purchases awaiting settlement	-	13,541,946	-	-	- 13,541,946
Payables	<u>2,466,069</u>	-	<u>545,372</u>	-	<u>3,011,441</u>
<b>Total Liabilities</b>	<u>2,466,069</u>	<u>13,541,946</u>	<u>545,372</u>	-	<u>16,553,387</u>
 <b>Net currency exposure</b>	 <u>11,992,813</u>	 <u>694,043,589</u>	 <u>532,249</u>	 <u>5,209,838</u>	

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**8 Financial risk management** (continued)

**(a) Market risk** (continued)

(i) *Foreign exchange risk* (continued)

**United China A-Shares Consumption Upgrade Fund**

**As at 31 December 2022**

	SGD \$	RMB \$	JPY \$	Total \$
<b>Assets</b>				
Portfolio of investments	-	46,523,281	-	46,523,281
Receivables	171,578	-	-	171,578
Cash and bank balances	25,928	5,246,948	2,736,332	8,009,208
Margin accounts	-	135,660	-	135,660
<b>Total Assets</b>	<u>197,506</u>	<u>51,905,889</u>	<u>2,736,332</u>	<u>54,839,727</u>
<b>Liabilities</b>				
Payables	<u>204,373</u>	-	-	<u>204,373</u>
<b>Total Liabilities</b>	<u>204,373</u>	-	-	<u>204,373</u>
<b>Net currency exposure</b>	<u>(6,867)</u>	<u>51,905,889</u>	<u>2,736,332</u>	

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**8 Financial risk management** (continued)

**(a) Market risk** (continued)

*(i) Foreign exchange risk (continued)*

United China A-Shares Consumption Upgrade Fund  
As at 31 December 2021

	SGD \$	RMB \$	JPY \$	Total \$
<b>Assets</b>				
Portfolio of investments	-	108,891,561	-	108,891,561
Receivables	121,624	-	-	121,624
Cash and bank balances	802,118	11,045,685	1,094,671	12,942,474
Margin accounts	-	174,508	-	174,508
<b>Total Assets</b>	<u>923,742</u>	<u>120,111,754</u>	<u>1,094,671</u>	<u>122,130,167</u>
<b>Liabilities</b>				
Payables	<u>444,615</u>	-	<u>1,381,442</u>	<u>1,826,057</u>
<b>Total Liabilities</b>	<u>444,615</u>	-	<u>1,381,442</u>	<u>1,826,057</u>
<b>Net currency exposure</b>	<u>479,127</u>	<u>120,111,754</u>	<u>(286,771)</u>	

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**8 Financial risk management** (continued)

**(a) Market risk** (continued)

*(i) Foreign exchange risk (continued)*

Investments, which is the significant item in the Statement of Financial Position, is exposed to foreign exchange risk and other price risk. Other price risk sensitivity analysis includes the impact of foreign exchange risk on non-monetary investments. The Sub-Fund's net financial assets comprise significantly of non-monetary investments, hence foreign exchange risk sensitivity analysis has not been presented on the remaining financial assets, except for the following:

Currency	2022		2021	
	Volatility %	Net impact to net assets attributable to unitholders \$	Volatility %	Net impact to net assets attributable to unitholders \$
<b>United China A-Shares Innovation Fund</b>				
RMB	4	596,012	4	3,007,373
<b>United China A-Shares Consumption Upgrade Fund</b>				
RMB	4	215,304	4	448,808
JPY	7	191,543	6	-*

\* denotes amount less than 0.1% of NAV

*(ii) Price risk*

The COVID-19 pandemic continues to evolve and develop. The situation is dynamic with various cities and countries around the world responding in different ways to address the pandemic. As a result of the COVID-19 pandemic, global financial markets have experienced significant volatility. Given the extent of the crisis, it is difficult to estimate the impact or duration of the volatility on the portfolio of the Sub-Funds. The Manager is closely monitoring the development of the COVID-19 pandemic and its related impact.

Price risk is the risk of potential adverse changes to the value of financial investments because of changes in market conditions and volatility in security prices.

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**8 Financial risk management** (continued)

**(a) Market risk** (continued)

*(ii) Price risk (continued)*

The table below summarises the impact of increases/decreases from the Sub-Funds' investments in equities and Investee Fund on the Sub-Funds' net assets attributable to unitholders at 31 December 2022 and 2021. The analysis is based on the assumption that the index components within the benchmark and the price of the Investee Fund increased/decreased by a reasonable possible shift, with all other variables held constant and that the prices of the Sub-Funds' investments and the Investee Fund moved according to the historical correlation with the index.

Benchmark component	2022		2021	
	Volatility %	Net impact to net assets attributable to unitholders \$	Volatility %	Net impact to net assets attributable to unitholders \$
<b>United China A-Shares Innovation Fund</b>				
MSCI China A-Shares	20	89,950,512	20	158,933,484
<b>United China A-Shares Consumption Upgrade Fund</b>				
MSCI China A-Shares	20	13,943,448	20	32,635,785

*(iii) Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Investment funds that invest in equity securities may be subject to interest rate risk as any interest rate change may affect the equity risk premium though at varying degrees. To manage this risk, the Manager analyses how interest rate changes may affect different industries and securities and then seeks to adjust the Sub-Funds' portfolio investments accordingly. However, the effects of changes in interest rates in the Sub-Funds' portfolio may not be quantified as the relationship between the interest rates and the value of equity securities is indirect.

Other than cash and bank balances and margin accounts which are at short term market interest rates, and therefore subject to insignificant interest rate risk, the Sub-Funds' financial assets and liabilities are largely non-interest bearing.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

### **8 Financial risk management** (continued)

#### **(a) Market risk** (continued)

##### *(iii) Interest rate risk (continued)*

Hence, no sensitivity analysis has been presented separately.

#### **(b) Liquidity risk**

The Sub-Funds are exposed to daily cash redemptions and disbursements for the settlements of purchases. The Manager therefore ensures that the Sub-Funds maintain sufficient cash and bank balances and that they are able to obtain cash from the sale of investments held to meet its liquidity requirements. Reasonable efforts will be taken to invest in securities which are traded in a relatively active market and which can be readily disposed of.

The Sub-Funds' investments in quoted securities are considered to be readily realisable as they are quoted on established regional stock exchanges. The Sub-Fund's investments in Investee Fund are considered to be readily realisable as the net asset values are struck daily, and units are redeemable on demand at the published price.

The Manager may from time to time employ derivatives to implement a portfolio strategy to reduce risk or for the purpose of efficient portfolio management. Market liquidity of complex derivatives are significantly less than traditional investment instruments and such positions may therefore require a longer time to reverse than would typically be expected for traditional investment instruments. No such investments were held at the financial year end date.

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**8 Financial risk management** (continued)

**(b) Liquidity risk** (continued)

The tables below analyse the Sub-Funds' financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	<b>United China A-Shares Innovation Fund</b>		
	<b>Less than 3 months</b>	<b>3 months to 1 year</b>	<b>Over 1 year</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>As at 31 December 2022</b>			
Payables	1,513,513	-	-
	Less than 3 months	3 months to 1 year	Over 1 year
	\$	\$	\$
As at 31 December 2021			
Purchases awaiting settlement	13,541,946	-	-
Payables	3,011,441	-	-
	<b>United China A-Shares Consumption Upgrade Fund</b>		
	<b>Less than 3 months</b>	<b>3 months to 1 year</b>	<b>Over 1 year</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>As at 31 December 2022</b>			
Payables	204,373	-	-
	Less than 3 months	3 months to 1 year	Over 1 year
	\$	\$	\$
As at 31 December 2021			
Payables	1,826,057	-	-

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**8 Financial risk management** (continued)

**(c) Credit risk**

The Sub-Funds take on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The Sub-Funds' credit risk is concentrated on cash and bank balances, margin accounts and amounts or securities receivable on the sale and purchase of investments respectively. In order to mitigate exposure to credit risk, all transactions in listed securities are settled/paid for upon delivery and transacted with approved counterparties using an approved list of brokers that is regularly assessed and updated by the Manager.

The tables below summarise the credit rating of banks and custodians in which the Sub-Funds' assets are held as at 31 December 2022 and 2021.

The credit ratings are based on the Viability ratings published by Fitch.

**United China A-Shares Innovation Fund**

	<b>Credit rating as at 31 December 2022</b>	Credit rating as at 31 December 2021
<b>Bank and custodian</b>		
State Street Bank and Trust Company	<b>aa-</b>	aa-
<b>Margin accounts</b>		
Industrial and Commercial Bank of China Limited	<b>bbb</b>	bbb

The custodian of the Investee Fund is also State Street Bank and Trust Company, with credit ratings disclosed in the table above.



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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**8 Financial risk management** (continued)

**(c) Credit risk** (continued)

**United China A-Shares Consumption Upgrade Fund**

	<b>Credit rating as at 31 December 2022</b>	Credit rating as at 31 December 2021
<b>Bank and custodian</b>		
State Street Bank and Trust Company	<b>aa-</b>	aa-
<b>Margin accounts</b>		
Industrial and Commercial Bank of China Limited	<b>bbb</b>	bbb

The maximum exposure to credit risk at the financial year end date is the carrying amount of the portfolio of investments, cash and bank balances and margin accounts as presented in Statements of Financial Position.

For purposes of impairment assessment, the Sub-Funds' assets which are measured at amortised cost are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses ("ECL"). The ECL for these assets as at the end of the reporting period is not significant.

**(d) Capital management**

The Sub-Funds' capital is represented by the net assets attributable to unitholders. The Sub-Funds strive to invest the subscriptions of redeemable participating units in investments that meet the Sub-Funds' investment objectives while maintaining sufficient liquidity to meet unitholder redemptions.

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**8 Financial risk management** (continued)

**(e) Fair value estimation**

The Sub-Funds classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following tables analyse within the fair value hierarchy, the Sub-Funds' financial assets and liabilities (by class) measured at fair value at 31 December 2022 and 2021:

<b>United China A-Shares Innovation Fund</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	\$	\$	\$	\$
<b>As at 31 December 2022</b>				
<b>Assets</b>				
Portfolio of investments				
- Quoted equities	339,537,607	-	-	339,537,607
- Quoted unit trusts	<u>10,714,000</u>	-	-	<u>10,714,000</u>
<b>Total</b>	<u>350,251,607</u>	-	-	<u>350,251,607</u>
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>As at 31 December 2021</b>				
<b>Assets</b>				
Portfolio of investments				
- Quoted equities	<u>618,859,272</u>	-	-	<u>618,859,272</u>
<b>Total</b>	<u>618,859,272</u>	-	-	<u>618,859,272</u>

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**8 Financial risk management** (continued)

**(e) Fair value estimation** (continued)

<b>United China A-Shares Consumption Upgrade Fund</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	\$	\$	\$	\$
<b>As at 31 December 2022</b>				
<b>Assets</b>				
Portfolio of investments				
- Quoted equities	<u>46,523,281</u>	-	-	<u>46,523,281</u>
<b>Total</b>	<u>46,523,281</u>	-	-	<u>46,523,281</u>
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>As at 31 December 2021</b>				
<b>Assets</b>				
Portfolio of investments				
- Quoted equities	<u>108,891,561</u>	-	-	<u>108,891,561</u>
<b>Total</b>	<u>108,891,561</u>	-	-	<u>108,891,561</u>

Investment whose values are based on quoted market prices in active markets and therefore classified within Level 1, comprise listed equities. The Sub-Funds do not adjust the quoted price for these instruments.

Investments in open-ended investment funds whose net assets value are struck daily, price information is published and readily available and units are subscribed and redeemable on demand at the published price, are classified within Level 1. The quoted price for these financial instruments is not adjusted.

Except for cash and bank balances and margin accounts which are classified as Level 1, the Sub-Funds' assets and liabilities not measured at fair value at 31 December 2022 and 2021 have been classified as Level 2. The carrying amounts of these assets and liabilities approximate their fair values as at the financial year end date.

## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

### **9 Structured entities**

#### **United China A-Shares Innovation Fund**

The Sub-Fund's investments in the Investee Fund are subject to the terms and conditions of the Investee Fund's offering documentation and is susceptible to market price risk arising from uncertainties about future value of the Investee Fund. The Manager makes investment decisions after extensive due diligence of the Investee Fund, its strategy and the overall quality of the Investee Fund's manager. The Investee Fund's portfolio manager is compensated by the Investee Fund for its services. Such compensation generally consists of an asset based fee and is reflected in the valuation of the Sub-Fund's investments in the Investee Fund.

The Sub-Fund has the right to request redemption of its investment in the Investee Fund on a daily basis.

The exposure to investments in the Investee Fund at fair value is disclosed under the Statement of Portfolio. These investments are included within "Portfolio of Investments" in the Statement of Financial Position.

The Sub-Fund's holdings in an Investee Fund, as a percentage of the Investee Fund's total net asset value, will vary from time to time, dependent on the volume of subscriptions and redemptions at the Investee Fund level. It is possible that the Sub-Fund may, at any point in time, hold a majority of an Investee Fund's total units in issue.

The Sub-Fund's maximum exposure to loss from its interests in the Investee Fund is equal to the total fair value of its investments in the Investee Fund.

Once the Sub-Fund has disposed of its shares in the Investee Fund, the Sub-Fund ceases to be exposed to any risk from it.

### **10 Related party transactions**

(a) The Manager and the Trustee of the Sub-Funds are UOB Asset Management Ltd and State Street Trust (SG) Limited, respectively. The Manager is a subsidiary of United Overseas Bank Limited while the Trustee is a subsidiary of State Street Bank and Trust Company.

Management fee and valuation fee are paid to the Manager for the financial year. Management fee rebates are received from the Manager in respect of Investee Fund that is managed by the Manager. Trustee fee is paid to the Trustee while registrar fee and custody fee are paid to State Street Bank and Trust Company, Singapore Branch.

These fees paid or payable by the Sub-Funds shown in the Statements of Total Return and in the respective Notes to the Financial Statements are on terms set out in the Trust Deed. All other related party transactions are shown elsewhere in the financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**10 Related party transactions** (continued)

(b) As at the end of the financial year, the Sub-Funds maintained the following accounts with its related parties:

	<b>United China A-Shares Innovation Fund</b>		<b>United China A-Shares Consumption Upgrade Fund</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	\$	\$	\$	\$
<b>State Street Bank and Trust Company, Singapore Branch</b>				
Cash and bank balances	<b>18,905,630</b>	15,299,468	<b>8,009,208</b>	2,267,461

(c) The following transactions took place during the financial year between the Sub-Funds and related parties at terms agreed between the parties:

	<b>United China A-Shares Innovation Fund</b>		<b>United China A-Shares Consumption Upgrade Fund</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	\$	\$	\$	\$
<b>State Street Bank and Trust Company, Singapore Branch</b>				
Interest income	<b>133,040</b>	247,878	<b>21,352</b>	56,157
<b>United Overseas Bank Limited</b>				
Bank charges	<b>11,067</b>	36,713	<b>2,341</b>	14,668

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**NOTES TO THE FINANCIAL STATEMENTS**

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**11 Financial ratios**

**United China A-Shares Innovation Fund**

Prior year disclosure for Class T USD Acc is covering the period from 19 February 2021 (date of inception) to 31 December 2021.

	<b>United China A-Shares Innovation Fund</b>	
	<b>2022</b>	2021
	\$	\$
<b>Class JPY Acc</b>		
Total operating expenses	<b>1,919,250</b>	4,125,315
Average daily net assets value	<b><u>212,314,579</u></b>	<u>440,000,393</u>
Expense ratio <sup>1</sup>	<b><u>0.90%</u></b>	<u>0.94%</u>
<b>Class A SGD Acc</b>		
Total operating expenses	<b>837,950</b>	365,945
Average daily net assets value	<b><u>40,061,254</u></b>	<u>17,729,607</u>
Expense ratio <sup>1</sup>	<b><u>2.09%</u></b>	<u>2.06%</u>
<b>Class A USD Acc</b>		
Total operating expenses	<b>1,547,432</b>	1,961,978
Average daily net assets value	<b><u>72,711,727</u></b>	<u>90,992,603</u>
Expense ratio <sup>1</sup>	<b><u>2.13%</u></b>	<u>2.16%</u>
<b>Class T USD Acc</b>		
Total operating expenses	<b>1,691,710</b>	2,335,345
Average daily net assets value	<b><u>179,672,614</u></b>	<u>274,293,699</u>
Expense ratio (annualised) <sup>1</sup>	<b><u>0.94%</u></b>	<u>0.98%</u>
Lower of total value of purchases or sales	<b>361,853,439</b>	757,742,095
Average daily net assets value	<b><u>504,760,174</u></b>	<u>823,016,302</u>
Turnover ratio <sup>2</sup>	<b><u>71.69%</u></b>	<u>92.07%</u>

1 The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the Sub-Fund's expense ratio at financial year end was based on total operating expenses divided by the average net assets value respectively for the financial year. The total operating expenses do not include (where applicable) brokerage and other transactions costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Sub-Fund does not pay any performance fee. The average net assets value is based on the daily balances.

2 The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratio was based on the lower of the total value of purchases or sales of the underlying investments divided by the average daily net assets value.

**United China Onshore Funds**  
(Constituted under a Trust Deed in the Republic of Singapore)

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**11 Financial ratios (continued)**

	<b>United China A-Shares Consumption Upgrade Fund</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Class JPY Acc</b>		
Total operating expenses	<b>751,510</b>	2,240,885
Average daily net assets value	<b><u>73,651,683</u></b>	<u>223,709,316</u>
Expense ratio <sup>1</sup>	<b><u>1.02%</u></b>	<u>1.00%</u>
Lower of total value of purchases or sales	<b>147,110,247</b>	599,523,111
Average daily net assets value	<b><u>73,651,683</u></b>	<u>223,709,316</u>
Turnover ratio <sup>2</sup>	<b><u>199.74%</u></b>	<u>267.99%</u>

1 *The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the Sub-Fund's expense ratio at financial year end was based on total operating expenses divided by the average net assets value respectively for the financial year. The total operating expenses do not include (where applicable) brokerage and other transactions costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Sub-Fund does not pay any performance fee. The average net assets value is based on the daily balances.*

2 *The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratio was based on the lower of the total value of purchases or sales of the underlying investments divided by the average daily net assets value.*

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