

# 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 2023



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

Edmund Leong Kok Mun

Lim Pei Hong Winston (Appointed 14 August 2023)

Lam Sai Yoke (Resigned 15 March 2023)

### **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)

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**A) Fund Performance**

**Class JPY Acc**

<b>Fund Performance/ Benchmark Returns</b>	<b>3 mth % Growth</b>	<b>6 mth % Growth</b>	<b>1 yr % Growth</b>	<b>3 yr Ann Comp Ret</b>	<b>5 yr Ann Comp Ret</b>	<b>10 yr Ann Comp Ret</b>	<b>Since Inception 1 August 2019 Ann Comp Ret</b>
United China A-Shares Innovation Fund	-11.24	-21.97	-29.97	-14.72	N/A	N/A	8.38
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**

<b>Fund Performance/ Benchmark Returns</b>	<b>3 mth % Growth</b>	<b>6 mth % Growth</b>	<b>1 yr % Growth</b>	<b>3 yr Ann Comp Ret</b>	<b>5 yr Ann Comp Ret</b>	<b>10 yr Ann Comp Ret</b>	<b>Since Inception 17 August 2020 Ann Comp Ret</b>
United China A-Shares Innovation Fund	-9.52	-22.56	-36.36	-24.15	N/A	N/A	-17.37
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**

<b>Fund Performance/ Benchmark Returns</b>	<b>3 mth % Growth</b>	<b>6 mth % Growth</b>	<b>1 yr % Growth</b>	<b>3 yr Ann Comp Ret</b>	<b>5 yr Ann Comp Ret</b>	<b>10 yr Ann Comp Ret</b>	<b>Since Inception 23 November 2020 Ann Comp Ret</b>
United China A-Shares Innovation Fund	-6.19	-20.51	-35.23	-24.07	N/A	N/A	-20.31
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**

<b>Fund Performance/ Benchmark Returns</b>	<b>3 mth % Growth</b>	<b>6 mth % Growth</b>	<b>1 yr % Growth</b>	<b>3 yr Ann Comp Ret</b>	<b>5 yr Ann Comp Ret</b>	<b>10 yr Ann Comp Ret</b>	<b>Since Inception 19 February 2021 Ann Comp Ret</b>
United China A-Shares Innovation Fund	-5.95	-20.02	-34.49	N/A	N/A	N/A	-27.35
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 year ended 2023, the net asset value (NAV) of Class JPY Acc declined 29.97% in Japanese Yen terms. Class A SGD Acc declined 36.36% in Singapore Dollar terms. Class A USD Acc and Class T USD Acc declined 35.23% and 34.49% respectively in United States Dollar terms.

On fund performance, Health Care sector contributed the most to fund return while Information Technology, Consumer Discretionary and Materials were detractors to performance.

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

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

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

In terms of stocks, the key contributors to performance include Sharetronic Data Technology, Luxshare Precision Industry Co Ltd and Colorlight Cloud Tech Ltd. The key performance detractors were Beijing Oriental Yuhong Waterproof Technology Co Ltd, Beijing United Information Technology Co Ltd and Contemporary Amperex Technology Co Ltd.

As at end 31 December 2023, the Fund had the following sector allocation: Information Technology (57.11%), Consumer Discretionary (10.89%), Industrials (7.98%), Unit Trusts (4.13%), Consumer Staples (3.49%), Energy (2.79%), Materials (1.65%), Health Care (1.53%), Communication Services (0.88%), with the remainder in cash (9.55%).

The Fund had the following country exposure: China (86.32%), Singapore (4.13%) and the remainder in cash (9.55%).

### **Economic and Market Review**

In the twelve-month period under review ended 31 December 2023, Chinese equities market was volatile. The market staged a strong rally at the start of the year on earlier-than-expected reopening. However, enthusiasm faded after geopolitical tension between the US and China escalated and investor sentiment was overwhelmed by concerns over post-Covid growth recovery. Although AI emerged as an interesting investment theme, valuation soon normalised after focus was shifted to the monetisation capability of AI products. With the property sector serving as a drag to the economy, the Chinese government has been pushing out stimulus policies in piecemeal in an attempt to create consumption demand and stabilise the real estate market.

The economy is still in slow recovery. It remains to be seen if the release of positive policy signals and the implementation of stimulus measures could help to stabilize the economy. In November, the value-add of industries above designated size nationwide increased by 6.6% year-on-year. Affected by seasonal factors, the manufacturing PMI in December dropped to 49%. In November, the CPI was affected by the decline in food and pork prices, recording a year-on-year decrease of 0.5%, while the core CPI growth remained stable. The year-on-year decline in PPI has widened in November, in part attributed to a significant fall in production materials.

In terms of liquidity, the Central Economic Work Conference emphasized strengthening countercyclical and cross-cycle adjustments while placing equal emphasis on the use of fiscal and monetary policies. The central bank has restarted the Pledged Supplemental Lending (PSL) which saw three major policy banks getting a net increase of RMB 350 billion in collateral supplementary loans. The central bank's net investment in Medium Term Lending Facility (MLF) in December was RMB 800 billion. Both the 1Y and 5Y LPRs remain unchanged in December, and it is expected that there is further downside potential for the 5-year LPR.

### **Outlook and Fund Strategy**

We remain optimistic about the fundamentals and prospects of China 'A' shares.

The A-Share market tends to be more volatile at the start of each year as institutional investors adjust their positions. This could create mispricing for individual stocks which we could explore. Therefore, we are cautiously optimistic about the market in the first quarter.

**A) Fund Performance** (continued)

Our long-term outlook on the technology sector has not changed, and the reaction from the US stock market on the AI technology cycle has confirmed our previous judgment. As for the investment opportunities in A-shares, we believe that short-term factors will exacerbate the volatility of the sector. In terms of positioning, we will be more defensive in the near term to cope with short-term downward pressure. From a long-term perspective, we remain positive on technology growth.

Key downside risks to our constructive stance on China markets include US/China/Taiwan geopolitics in view of upcoming US elections, escalation in the Israel-Palestine conflict, China macroeconomic recovery and US interest rate trajectory.

**United China A-Shares Innovation 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 2023 under review classified by**

**i) Country**

	Fair Value (S\$)	% of NAV
China	176,450,385	86.32
Singapore	8,448,000	4.13
Portfolio of investments	184,898,385	90.45
Other net assets/(liabilities)	19,519,165	9.55
<b>Total</b>	<b>204,417,550</b>	<b>100.00</b>

**ii) Industry**

	Fair Value (S\$)	% of NAV
Communication Services	1,792,597	0.88
Consumer Discretionary	22,256,081	10.89
Consumer Staples	7,142,464	3.49
Energy	5,707,718	2.79
Health Care	3,130,279	1.53
Industrials	16,312,791	7.98
Information Technology	116,744,153	57.11
Materials	3,364,302	1.65
Unit Trusts	8,448,000	4.13
Portfolio of investments	184,898,385	90.45
Other net assets/(liabilities)	19,519,165	9.55
<b>Total</b>	<b>204,417,550</b>	<b>100.00</b>

**iii) Asset Class**

	Fair Value (S\$)	% of NAV
Quoted unit trusts	8,448,000	4.13
Quoted equities	176,450,385	86.32
Other net assets/(liabilities)	19,519,165	9.55
<b>Total</b>	<b>204,417,550</b>	<b>100.00</b>



**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 2023 under review classified by** (continued)

**iv) Credit rating of quoted bonds**

N/A

**C) Top Ten Holdings**

10 largest holdings as at 31 December 2023

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
LUXSHARE PRECISION INDUSTRY CO LTD	17,248,885	8.44
ZHONGJI INNOLIGHT CO LTD	14,124,921	6.91
GALAXYCORE INC	9,506,396	4.65
ZHENGZHOU GL TECH CO LTD	8,791,564	4.30
UOBAM PING AN CHINEXT ETF	8,448,000	4.13
LINKTEL TECHNOLOGIES CO LTD	7,419,819	3.63
KWEICHOW MOUTAI CO LTD	7,142,464	3.49
NINGBO TUOPU GROUP CO LTD	6,877,829	3.37
COLORLIGHT CLOUD TECH LTD	6,766,752	3.31
JIANGNAN MOULD AND PLASTIC TECHNOLOGY CO LTD	6,273,713	3.07

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

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**C) Top Ten Holdings** (continued)

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

**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 2023

N/A

ii) There was a net realised gain of SGD 400,679 on derivative contracts during the financial year ended 31 December 2023.

iii) Net gains/(losses) on outstanding derivative contracts marked to market as at 31 December 2023

N/A

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

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**E) Amount and percentage of NAV invested in other schemes as at 31 December 2023**

Please refer to the Statements of Portfolio.

**F) Amount and percentage of borrowings to NAV as at 31 December 2023**

N/A

**G) Amount of redemptions and subscriptions for the financial year ended 31 December 2023**

Total amount of redemptions	SGD	107,406,291
Total amount of subscriptions	SGD	77,669,875

**H) The amount and terms of related-party transactions for the financial year ended 31 December 2023**

Please refer to Note 9 of the Notes to the Financial Statements.

**I) Expense ratios**

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

**J) Turnover ratios**

Please refer to Note 10 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 2023 and 31 December 2022**

N/A

**ii) Expense ratios for the financial year ended 31 December 2023 and 31 December 2022**

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 (continued)**

iii) Turnover ratios for the financial year ended 31 December 2023 and 31 December 2022

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.

**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	-13.16	-18.26	-19.56	-16.14	N/A	N/A	-9.15
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.

For the year ended 2023, the net asset value (NAV) of the Fund fell 19.56% in JPY terms.

On fund performance, Materials and Real Estate sectors contributed the most to fund return while Health Care, Consumer Staples and Communication Services were the main detractors to performance.

In terms of stocks, the top contributors to performance include Chinese Universe Publishing & Media Group, Anhui Heli and Luxshare Precision Industry Co Ltd. The key performance detractors were 37 Interactive Entertainment Network Technology Group, Kingnet Network and Luzhou Laojiao Co Ltd.

As at 31 Dec 2023, the Fund had the following sector allocation: Consumer Staples (29.95%), Consumer Discretionary (24.00%), Health Care (21.35%), Information Technology (15.27%) and with the remainder in cash (9.43%).

The Fund had the following country exposures: China (90.57%) and the remainder in cash (9.43%).

## Economic and Market Review

In the twelve-month period under review ended 31 December 2023, Chinese equities market was volatile. The market staged a strong rally at the start of the year on earlier-than-expected reopening. However, enthusiasm faded after geopolitical tension between the US and China escalated and investor sentiment was overwhelmed by concerns over post-Covid growth recovery. Although AI emerged as an interesting investment theme, valuation soon normalised after focus was shifted to the monetisation capability of AI products. With the property sector serving as a drag to the economy, the Chinese government has been pushing out stimulus policies in piecemeal in an attempt to create consumption demand and stabilise the real estate market.

# 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)

The economy is still in slow recovery. It remains to be seen if the release of positive policy signals and the implementation of stimulus measures could help to stabilize the economy. In November, the value-add of industries above designated size nationwide increased by 6.6% year-on-year. Affected by seasonal factors, the manufacturing PMI in December dropped to 49%. In November, the CPI was affected by the decline in food and pork prices, recording a year-on-year decrease of 0.5%, while the core CPI growth remained stable. The year-on-year decline in PPI has widened in November, in part attributed to a significant fall in production materials.

In terms of liquidity, the Central Economic Work Conference emphasized strengthening countercyclical and cross-cycle adjustments while placing equal emphasis on the use of fiscal and monetary policies. The central bank has restarted the Pledged Supplemental Lending (PSL) which saw three major policy banks getting a net increase of RMB 350 billion in collateral supplementary loans. The central bank's net investment in Medium Term Lending Facility (MLF) in December was RMB 800 billion. Both the 1Y and 5Y LPRs remain unchanged in December, and it is expected that there is further downside potential for the 5-year LPR.

## Outlook and Fund Strategy

We remain optimistic about the fundamentals and prospects of China 'A' shares.

Domestic economic data have shown signs of recovery. Besides low base effect, the rebound is thanks to fiscal strength and improvement in both investment and exports. Consumption has become the main driving force to achieving economic goals this year. Currently, the US economy is hovering near the peak and dovish comments from the Fed has saw US interest rate retracing. The DXY index has declined in response, which provides Non-US assets a window of opportunity to rebound. The process of finding a new equilibrium in the economy is bound to face twists and turns and it is unlikely to see effects from economic policy stimulus overnight. With time, household balance sheets should gradually repair, and expectations are expected to improve. However, this process of repair will require patience, so the market should not be pessimistic in the medium term.

In terms of primary investment strategy, we are optimistic about cyclical and growth stocks. 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 (intelligent driving, high-end manufacturing and MR etc). 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 constructive stance on China markets include US/China/Taiwan geopolitics in view of upcoming US elections, escalation in the Israel-Palestine conflict, China macroeconomic recovery and US interest rate trajectory.

**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 2023 under review classified by**

**i) Country**

	Fair Value (S\$)	% of NAV
China	19,942,355	90.57
Portfolio of investments	19,942,355	90.57
Other net assets/(liabilities)	2,077,511	9.43
<b>Total</b>	<b>22,019,866</b>	<b>100.00</b>

**ii) Industry**

	Fair Value (S\$)	% of NAV
Consumer Discretionary	5,283,556	24.00
Consumer Staples	6,594,848	29.95
Health Care	4,702,119	21.35
Information Technology	3,361,832	15.27
Portfolio of investments	19,942,355	90.57
Other net assets/(liabilities)	2,077,511	9.43
<b>Total</b>	<b>22,019,866</b>	<b>100.00</b>

**iii) Asset Class**

	Fair Value (S\$)	% of NAV
Quoted equities	19,942,355	90.57
Other net assets/(liabilities)	2,077,511	9.43
<b>Total</b>	<b>22,019,866</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 2023

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
KWEICHOW MOUTAI CO LTD	1,895,005	8.61
LUZHOU LAOJIAO CO LTD	1,685,229	7.65
LUXSHARE PRECISION INDUSTRY CO LTD	1,572,391	7.14
HUNAN JIUDIAN PHARMACEUTICAL CO LTD	1,181,103	5.36
JIANGNAN MOULD AND PLASTIC TECHNOLOGY CO LTD	1,117,074	5.07
TSINGTAO BREWERY CO LTD	1,074,700	4.88
CHONGQING TAIJI INDUSTRY GROUP	863,260	3.92
IKD CO LTD	770,842	3.50
BETHEL AUTOMOTIVE SAFETY SYSTEMS CO LTD	726,958	3.30
ZHENGZHOU QIANWEIYANGCHU FOOD CO LTD	704,258	3.20

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



**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 2023

N/A

- ii) There was a net realised gain of SGD 129,894 on derivative contracts during the financial year ended 31 December 2023.

- iii) Net gains/(losses) on outstanding derivative contracts marked to market as at 31 December 2023

N/A

**E) Amount and percentage of NAV invested in other schemes as at 31 December 2023**

N/A

**F) Amount and percentage of borrowings to NAV as at 31 December 2023**

N/A

**G) Amount of redemptions and subscriptions for the financial year ended 31 December 2023**

Total amount of redemptions	SGD	27,581,963
Total amount of subscriptions	SGD	12,262,283

**H) The amount and terms of related-party transactions for the financial year ended 31 December 2023**

Please refer to Note 9 of the Notes to the Financial Statements.

**I) Expense ratios**

Please refer to Note 10 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 10 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 2023 and 31 December 2022

N/A

- ii) Expense ratios for the financial year ended 31 December 2023 and 31 December 2022

N/A

- iii) Turnover ratios for the financial year ended 31 December 2023 and 31 December 2022

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

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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 67, 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  
25 March 2024

**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 67, 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 2023, and the financial performance and movements of unitholders' funds for the financial 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  
25 March 2024

## **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 ("RAP 7"), so as to present fairly, in all material respects, the financial positions and portfolio holdings of the Sub-Funds as at 31 December 2023, and the financial performance and movements of unitholders' funds for the financial year ended 31 December 2023.

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

The financial statements of the Sub-Funds comprise:

- the Statements of Total Return for the financial year ended 31 December 2023;
- the Statements of Financial Position as at 31 December 2023;
- the Statements of Movements of Unitholders' Funds for the financial year then ended;
- the Statements of Portfolio as at 31 December 2023; and
- the Notes to the Financial Statements, including material accounting policy information.

### ***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 RAP 7 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, 25 March 2024

**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 2023

	Note	United China A-Shares Innovation Fund		United China A-Shares Consumption Upgrade Fund	
		2023	2022	2023	2022
		\$	\$	\$	\$
<b>Income</b>					
Dividends		3,012,256	4,714,448	430,752	605,829
Interest		68,450	133,040	7,964	21,352
Other income		30,617	-	-	-
<b>Total</b>		<u>3,111,323</u>	<u>4,847,488</u>	<u>438,716</u>	<u>627,181</u>
<b>Less: Expenses</b>					
Management fee	9	2,908,176	4,439,636	219,007	445,419
Less: Management fee rebate	9	(49,806)	(6,943)	-	-
Trustee fee	9	94,589	167,983	11,372	24,640
Audit fee		16,309	16,286	16,309	15,846
Registrar fee	9	25,000	25,000	25,000	25,000
Valuation fee	9	383,418	825,256	45,626	121,638
Custody fee	9	254,614	427,606	42,331	77,720
Transaction costs		1,831,072	1,126,473	226,080	472,172
Other expenses		26,720	101,518	5,887	41,247
<b>Total</b>		<u>5,490,092</u>	<u>7,122,815</u>	<u>591,612</u>	<u>1,223,682</u>
<b>Net income/(losses)</b>		<u>(2,378,769)</u>	<u>(2,275,327)</u>	<u>(152,896)</u>	<u>(596,501)</u>
<b>Net gains/(losses) on value of investments and financial derivatives</b>					
Net gains/(losses) on investments		(130,826,657)	(199,725,173)	(9,664,518)	(27,466,348)
Net gains/(losses) on financial derivatives		400,679	(1,942,952)	129,894	(671,112)
Net foreign exchange gains/(losses)		(1,731,808)	(2,836,979)	(221,824)	(560,308)
		<u>(132,157,786)</u>	<u>(204,505,104)</u>	<u>(9,756,448)</u>	<u>(28,697,768)</u>
<b>Total return/(deficit) for the financial year before income tax</b>		<u>(134,536,555)</u>	<u>(206,780,431)</u>	<u>(9,909,344)</u>	<u>(29,294,269)</u>
Less: Income tax	3	(306,351)	(484,544)	(26,464)	(62,647)
<b>Total return/(deficit) for the financial year</b>		<u>(134,842,906)</u>	<u>(207,264,975)</u>	<u>(9,935,808)</u>	<u>(29,356,916)</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 2023

		United China A-Shares Innovation Fund		United China A-Shares Consumption Upgrade Fund	
		2023	2022	2023	2022
	Note	\$	\$	\$	\$
<b>Assets</b>					
Portfolio of investments		<b>184,898,385</b>	350,251,607	<b>19,942,355</b>	46,523,281
Sales awaiting settlement		<b>3,690,061</b>	-	-	-
Receivables	4	<b>1,416,579</b>	1,109,967	<b>208,127</b>	171,578
Cash and bank balances	9	<b>21,454,609</b>	18,905,630	<b>3,323,775</b>	8,009,208
Margin accounts		<b>204,397</b>	243,181	<b>121,657</b>	135,660
<b>Total assets</b>		<b><u>211,664,031</u></b>	<u>370,510,385</u>	<b><u>23,595,914</u></b>	<u>54,839,727</u>
<b>Liabilities</b>					
Purchases awaiting settlement		<b>5,746,950</b>	-	<b>1,095,185</b>	-
Current income tax liabilities	3	-	-	-	7,360,000
Payables	5	<b>1,499,531</b>	1,513,513	<b>480,863</b>	204,373
<b>Total liabilities</b>		<b><u>7,246,481</u></b>	<u>1,513,513</u>	<b><u>1,576,048</u></b>	<u>7,564,373</u>
<b>Equity</b>					
<b>Net assets attributable to unitholders</b>	6	<b><u>204,417,550</u></b>	<u>368,996,872</u>	<b><u>22,019,866</u></b>	<u>47,275,354</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 MOVEMENTS OF UNITHOLDERS' FUNDS

For the financial year ended 31 December 2023

	Note	United China A-Shares Innovation Fund		United China A-Shares Consumption Upgrade Fund	
		2023	2022	2023	2022
		\$	\$	\$	\$
<b>Net assets attributable to unitholders at the beginning of the financial year</b>		<b>368,996,872</b>	711,778,489	<b>47,275,354</b>	112,944,110
<b>Operations</b>					
Change in net assets attributable to unitholders resulting from operations		(134,842,906)	(207,264,975)	(9,935,808)	(29,356,916)
<b>Unitholders' contributions/(withdrawals)</b>					
Creation of units		77,669,875	110,674,812	12,262,283	23,848,678
Cancellation of units		(107,406,291)	(246,191,454)	(27,581,963)	(60,160,518)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		(29,736,416)	(135,516,642)	(15,319,680)	(36,311,840)
Total increase/(decrease) in net assets attributable to unitholders		(164,579,322)	(342,781,617)	(25,255,488)	(65,668,756)
<b>Net assets attributable to unitholders at the end of the financial year</b>	6	<b>204,417,550</b>	368,996,872	<b>22,019,866</b>	47,275,354

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 2023

	<b>United China A-Shares Innovation Fund</b>		
	<b>Holdings at 31 December 2023</b>	<b>Fair value at 31 December 2023 \$</b>	<b>Percentage of total net assets attributable to unitholders at 31 December 2023 %</b>
<b>By Industry - Primary</b>			
<b>Quoted unit trusts</b>			
<b>UNIT TRUSTS</b>			
UOBAM PING AN CHINEXT ETF	11,000,000	8,448,000	4.13
<b>Quoted equities</b>			
<b>COMMUNICATION SERVICES</b>			
KUNLUN TECH CO LTD	257,700	1,792,597	0.88
<b>CONSUMER DISCRETIONARY</b>			
BEIJING JINGWEI HIRAIN TECHNOLOGIES CO LTD	40,588	876,072	0.43
JIANGNAN MOULD AND PLASTIC TECHNOLOGY CO LTD	4,818,700	6,273,713	3.07
NINGBO TUOPU GROUP CO LTD	503,115	6,877,829	3.37
ZHEJIANG SHUANGHUAN DRIVELINE CO LTD	511,750	2,476,634	1.21
ZHEJIANG YINLUN MACHINERY CO LTD	1,656,400	5,751,833	2.81
<b>TOTAL CONSUMER DISCRETIONARY</b>		<b>22,256,081</b>	<b>10.89</b>
<b>CONSUMER STAPLES</b>			
KWEICHOW MOUTAI CO LTD	22,249	7,142,464	3.49
<b>ENERGY</b>			
SUZHOU DOUSON DRILLING & PRODUCTION EQUIPMENT CO LTD	744,600	3,656,147	1.79

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 2023

	<b>United China A-Shares Innovation Fund</b>		
	<b>Holdings at 31 December 2023</b>	<b>Fair value at 31 December 2023 \$</b>	<b>Percentage of total net assets attributable to unitholders at 31 December 2023 %</b>
<b>By Industry - Primary (continued)</b>			
<b>Quoted equities</b>			
<b>ENERGY (continued)</b>			
YANTAI JEREH OILFIELD SERVICES GROUP CO LTD	392,400	<u>2,051,571</u>	<u>1.00</u>
<b>TOTAL ENERGY</b>		<u><b>5,707,718</b></u>	<u><b>2.79</b></u>
<b>HEALTH CARE</b>			
BEIJING KAWIN TECHNOLOGY SHARE-HOLDING CO LTD	336,319	2,180,598	1.07
TASLY PHARMACEUTICAL GROUP CO LTD	300,000	<u>949,681</u>	<u>0.46</u>
<b>TOTAL HEALTH CARE</b>		<u><b>3,130,279</b></u>	<u><b>1.53</b></u>
<b>INDUSTRIALS</b>			
BICHAMP CUTTING TECHNOLOGY (HUNAN) CO LTD	833,400	4,107,675	2.01
BOZHON PRECISION INDUSTRY TECHNOLOGY CO LTD	739,978	4,624,394	2.26
XIANGTAN ELECTRIC MANUFACTURING CO LTD	833,900	2,462,982	1.21
ZHUHAI COSMX BATTERY CO LTD	1,250,148	<u>5,117,740</u>	<u>2.50</u>
<b>TOTAL INDUSTRIALS</b>		<u><b>16,312,791</b></u>	<u><b>7.98</b></u>
<b>INFORMATION TECHNOLOGY</b>			
ADVANCED FIBER RESOURCES (ZHUHAI) LTD	218,500	1,840,969	0.90
BOE TECHNOLOGY GROUP CO LTD	2,577,500	1,869,649	0.91
CAMBRICON TECHNOLOGIES CORP	72,438	1,818,311	0.89

*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 2023

United China A-Shares Innovation Fund			
	Holdings at 31 December 2023	Fair value at 31 December 2023 \$	Percentage of total net assets attributable to unitholders at 31 December 2023 %
<b>By Industry - Primary (continued)</b>			
<b>Quoted equities</b>			
<b>INFORMATION TECHNOLOGY (continued)</b>			
COLORLIGHT CLOUD TECH LTD	317,800	6,766,752	3.31
GALAXYCORE INC	2,496,901	9,506,396	4.65
GUANGZHOU FANGBANG ELECTRONICS CO LTD	361,938	3,263,575	1.60
GUANGZHOU HAIGE COMMUNICATIONS GROUP	1,660,000	3,967,418	1.94
IFLYTEK CO LTD	520,655	4,491,357	2.20
LENS TECHNOLOGY CO LTD	1,665,000	4,087,755	2.00
LINKTEL TECHNOLOGIES CO LTD	380,840	7,419,819	3.63
LUXSHARE PRECISION INDUSTRY CO LTD	2,692,000	17,248,885	8.44
NEXCHIP SEMICONDUCTOR CORP	643,532	2,064,695	1.01
NINGBO YUNSHENG (GROUP) CO SEMICONDUCTOR MANUFACTURING INTERNATIONAL CORP	1,319,900	1,907,475	0.93
SHENZHEN EVERWIN PRECISION TECHNOLOGY CO LTD	297,948	2,938,170	1.44
SHENZHEN IN-CUBE AUTOMATION CO LTD	1,525,500	3,759,455	1.84
SHENZHEN SUNWAY COMMUNICATION CO LTD	140,550	2,832,151	1.38
SKYVERSE TECHNOLOGY CO LTD	184,300	808,973	0.40
SMARTGIANT TECHNOLOGY CO LTD	129,350	1,790,652	0.88
SUZHOU QINGYUE OPTOELECTRONICS TECHNOLOGY CO LTD	149,812	966,045	0.47
SUZHOU TFC OPTICAL COMMUNICATION CO LTD	249,302	1,038,189	0.51
TCL TECHNOLOGY GROUP CORP	219,946	3,743,940	1.83
TONGFU MICROELECTRONIC CO	2,390,400	1,911,771	0.93
YUANJIE SEMICONDUCTOR TECHNOLOGY CO LTD	531,500	2,285,535	1.12
	52,342	1,450,357	0.71

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 2023

United China A-Shares Innovation Fund			
	Holdings at 31 December 2023	Fair value at 31 December 2023 \$	Percentage of total net assets attributable to unitholders at 31 December 2023 %
<b>By Industry - Primary (continued)</b>			
<b>Quoted equities</b>			
<b>INFORMATION TECHNOLOGY (continued)</b>			
ZHEJIANG JINGSHENG MECHANICAL & ELECTRICAL CO LTD	493,800	4,049,374	1.98
ZHENGZHOU GL TECH CO LTD	2,213,969	8,791,564	4.30
ZHONGJI INNOLIGHT CO LTD	672,600	14,124,921	6.91
<b>TOTAL INFORMATION TECHNOLOGY</b>		<b>116,744,153</b>	<b>57.11</b>
<b>MATERIALS</b>			
BEIJING ORIENTAL YUHONG WATERPROOF TECHNOLOGY CO LTD	942,100	3,364,302	1.65
<b>Total Equities</b>		<b>176,450,385</b>	<b>86.32</b>
<b>Portfolio of investments</b>		<b>184,898,385</b>	<b>90.45</b>
<b>Other net assets/(liabilities)</b>		<b>19,519,165</b>	<b>9.55</b>
<b>Net assets attributable to unitholders</b>		<b>204,417,550</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 2023

	<b>United China A-Shares Innovation Fund</b>	
	<b>Percentage of total net assets attributable to unitholders at 31 December 2023 %</b>	<b>Percentage of total net assets attributable to unitholders at 31 December 2022 %</b>
<b>By Industry - Primary (Summary)</b>		
<b>Quoted equities and unit trusts</b>		
Communication Services	<b>0.88</b>	-
Consumer Discretionary	<b>10.89</b>	14.00
Consumer Staples	<b>3.49</b>	9.12
Energy	<b>2.79</b>	-
Financials	-	14.75
Health Care	<b>1.53</b>	-
Industrials	<b>7.98</b>	16.95
Information Technology	<b>57.11</b>	12.56
Materials	<b>1.65</b>	24.64
Unit Trusts	<b>4.13</b>	2.90
<b>Portfolio of investments</b>	<b>90.45</b>	94.92
<b>Other net assets/(liabilities)</b>	<b>9.55</b>	5.08
<b>Net assets attributable to unitholders</b>	<b>100.00</b>	100.00

*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 2023

	<b>United China A-Shares Innovation Fund</b>		
	<b>Fair value at 31 December 2023 \$</b>	<b>Percentage of total net assets attributable to unitholders at 31 December 2023 %</b>	<b>Percentage of total net assets attributable to unitholders at 31 December 2022 %</b>
<b>By Geography - Secondary</b>			
<b>Quoted equities and unit trusts</b>			
China	176,450,385	86.32	92.02
Singapore	<u>8,448,000</u>	<u>4.13</u>	<u>2.90</u>
<b>Portfolio of investments</b>	<b>184,898,385</b>	<b>90.45</b>	<b>94.92</b>
<b>Other net assets/(liabilities)</b>	<u><b>19,519,165</b></u>	<u><b>9.55</b></u>	<u><b>5.08</b></u>
<b>Net assets attributable to unitholders</b>	<b><u>204,417,550</u></b>	<b><u>100.00</u></b>	<b><u>100.00</u></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 2023

United China A-Shares Consumption Upgrade Fund			
	Holdings at 31 December 2023	Fair value at 31 December 2023 \$	Percentage of total net assets attributable to unitholders at 31 December 2023 %
By Industry - Primary			
Quoted equities			
CONSUMER DISCRETIONARY			
BETHEL AUTOMOTIVE SAFETY SYSTEMS CO LTD	56,400	726,958	3.30
CHONGQING CHANGAN AUTOMOBILE CO LTD	123,700	387,214	1.76
HUAKAI YIBAI TECHNOLOGY CO LTD	96,000	442,277	2.01
IKD CO LTD	188,900	770,842	3.50
JIANGNAN MOULD AND PLASTIC TECHNOLOGY CO LTD	858,000	1,117,074	5.07
KUNSHAN HUGUANG AUTO HARNESS CO LTD	96,400	356,802	1.62
LAO FENG XIANG CO LTD	52,200	669,910	3.04
NINGBO JIFENG AUTO PARTS CO LTD	41,695	104,460	0.48
SAILUN GROUP CO LTD	222,100	485,381	2.21
ZHEJIANG SHUANGHUAN DRIVELINE CO LTD	46,004	222,638	1.01
TOTAL CONSUMER DISCRETIONARY		5,283,556	24.00
CONSUMER STAPLES			
ANHUI GUJING DISTILLERY CO LTD	12,000	519,590	2.36
CHONGQING BREWERY CO LTD	28,700	354,710	1.61
KWEICHOW MOUTAI CO LTD	5,903	1,895,005	8.61
LUZHOU LAOJIAO CO LTD	50,500	1,685,229	7.65
TSINGTAO BREWERY CO LTD	77,300	1,074,700	4.88
YUNNAN BOTANEE BIO TECHNOLOGY GROUP CO LTD	28,500	361,356	1.64

# United China Onshore Funds

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

## STATEMENTS OF PORTFOLIO

As at 31 December 2023

United China A-Shares Consumption Upgrade Fund			
	Holdings at 31 December 2023	Fair value at 31 December 2023 \$	Percentage of total net assets attributable to unitholders at 31 December 2023 %
<b>By Industry - Primary (continued)</b>			
<b>Quoted equities</b>			
<b>CONSUMER STAPLES (continued)</b>			
ZHENGZHOU QIANWEIYANGCHU FOOD CO LTD	71,700	<u>704,258</u>	<u>3.20</u>
<b>TOTAL CONSUMER STAPLES</b>		<u><b>6,594,848</b></u>	<u><b>29.95</b></u>
<b>HEALTH CARE</b>			
APICHOPE PHARMACEUTICAL CO LTD - CLASS A	126,900	704,063	3.20
BETTA PHARMACEUTICALS CO LTD	50,200	481,315	2.18
CHANGCHUN HIGH & NEW TECHNOLOGY INDUSTRY (GROUP) INC	8,200	222,366	1.01
CHONGQING TAIJI INDUSTRY GROUP	99,900	863,260	3.92
HUMANWELL HEALTHCARE GROUP	128,400	593,694	2.70
HUNAN JUODIAN PHARMACEUTICAL CO LTD	191,100	1,181,103	5.36
QINGDAO BAHEAL MEDICAL INC	60,700	404,851	1.84
SHANXI ZHENDONG PHARMACEUTICAL CO	200,300	<u>251,467</u>	<u>1.14</u>
<b>TOTAL HEALTH CARE</b>		<u><b>4,702,119</b></u>	<u><b>21.35</b></u>
<b>INFORMATION TECHNOLOGY</b>			
ANJI MICROELECTRONICS TECHNOLOGY (SHANGHAI) CO LTD	15,275	453,885	2.06
FUJIAN APEX SOFTWARE CO LTD	50,200	460,307	2.09
LUXSHARE PRECISION INDUSTRY CO LTD	245,400	1,572,391	7.14
SUZHOU HENGMINGDA ELECTRONIC TECHNOLOGY CO LTD	75,599	452,479	2.06

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 2023

	<b>United China A-Shares Consumption Upgrade Fund</b>		
	<b>Holdings at 31 December 2023</b>	<b>Fair value at 31 December 2023 \$</b>	<b>Percentage of total net assets attributable to unitholders at 31 December 2023 %</b>
<b>By Industry - Primary (continued)</b>			
<b>Quoted equities</b>			
<b>INFORMATION TECHNOLOGY (continued)</b>			
VICTORY GIANT TECHNOLOGY CO LTD	123,200	<u>422,770</u>	<u>1.92</u>
<b>TOTAL INFORMATION TECHNOLOGY</b>		<u><b>3,361,832</b></u>	<u><b>15.27</b></u>
<b>Total Equities</b>		<u><b>19,942,355</b></u>	<u><b>90.57</b></u>
<b>Portfolio of investments</b>		<b>19,942,355</b>	<b>90.57</b>
<b>Other net assets/(liabilities)</b>		<u><b>2,077,511</b></u>	<u><b>9.43</b></u>
<b>Net assets attributable to unitholders</b>		<u><b>22,019,866</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)

### STATEMENTS OF PORTFOLIO

As at 31 December 2023

			<b>United China A-Shares Consumption Upgrade Fund</b>	
			<b>Percentage of total net assets attributable to unitholders at 31 December 2023 %</b>	<b>Percentage of total net assets attributable to unitholders at 31 December 2022 %</b>
<b>By Industry - Primary (Summary)</b>				
<b>Quoted equities</b>				
Consumer Discretionary			<b>24.00</b>	14.17
Consumer Staples			<b>29.95</b>	35.72
Health Care			<b>21.35</b>	14.32
Industrials			-	19.73
Information Technology			<b>15.27</b>	14.47
<b>Portfolio of investments</b>			<b>90.57</b>	98.41
<b>Other net assets/(liabilities)</b>			<b>9.43</b>	1.59
<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.

## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

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 2023

### 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 2023, 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 2023

### **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 2023, the Sub-Fund has only issued Class JPY Acc units.

### **2 Material accounting policy information**

#### **(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 in August 2023 for the financial year beginning on or after 1 January 2023.

The adoption of the revised RAP 7 did not result in substantial changes to the accounting policies of the Sub-Funds and had no material effect on the amounts reported for the current or prior years.

#### **(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.

## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

### **2 Material accounting policy information (continued)**

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

##### *(i) Initial recognition*

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

##### *(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 2023

### **2 Material accounting policy information (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 within “Net foreign exchange gains/(losses)”. 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) Expenses**

Expenses are recognised in the Statements of Total Return as the related services are performed.

## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

### **2 Material accounting policy information (continued)**

#### **(k) Management fee**

Management fee expense is recognised on an accrual basis and in accordance with the Prospectus. Management fee is recognised as an expense over the period for which the service is provided.

#### **(l) Management fee rebates**

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

#### **(m) 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.

When a financial derivative expires, or is sold or terminated, the gains or losses are taken up in the Statements of Total Return.

#### **(n) 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.

#### **(o) Creation and cancellation of units**

Units are issued and redeemed at the prices based on the Sub-Funds' net asset value per unit at the time of issue or redemption for each respective class. The Sub-Funds' net asset value per unit is calculated by dividing the net asset attributable to the holders of each class of units with the total number of outstanding units for each respective class.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 2 Material accounting policy information (continued)

#### (p) 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).

United China A-Shares Innovation 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.

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

### 3 Income tax

	<b>United China A-Shares Innovation Fund</b>		<b>United China A-Shares Consumption Upgrade Fund</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Singapore income tax refund	-	-	(17,338)	-
Overseas income tax	<u>306,351</u>	<u>484,544</u>	<u>43,802</u>	<u>62,647</u>
Total income tax	<u>306,351</u>	<u>484,544</u>	<u>26,464</u>	<u>62,647</u>

The Singapore income tax represents tax deducted at source for Singapore sourced dividends.

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 3 Income tax (continued)

#### 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.

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

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.

#### (a) Movements in current income tax liabilities

	<b>United China A-Shares Consumption Upgrade Fund</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Beginning of financial year	<b>7,360,000</b>	7,360,000
Income tax paid	<b>(7,360,000)</b>	-
End of financial year	<b>-</b>	<b>7,360,000</b>

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

For the financial year ended 31 December 2023

**4 Receivables**

	<b>United China A-Shares Innovation Fund</b>		<b>United China A-Shares Consumption Upgrade Fund</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Amounts receivable for creation of units	<b>22,564</b>	64,770	-	-
Management fee rebate receivable	<b>11,102</b>	6,943	-	-
Other receivables	<b>1,382,913</b>	1,038,254	<b>208,127</b>	171,578
	<b>1,416,579</b>	1,109,967	<b>208,127</b>	171,578

**5 Payables**

	<b>United China A-Shares Innovation Fund</b>		<b>United China A-Shares Consumption Upgrade Fund</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Amounts payable for cancellation of units	<b>550,268</b>	275,715	<b>290,511</b>	-
Amount due to the Manager	<b>598,372</b>	1,006,532	<b>47,233</b>	94,824
Amount due to Trustee	<b>36,775</b>	33,141	<b>4,489</b>	4,578
Tax payables	<b>43,212</b>	39,945	<b>35,838</b>	29,321
Other creditors and accrued expenses	<b>270,904</b>	158,180	<b>102,792</b>	75,650
	<b>1,499,531</b>	1,513,513	<b>480,863</b>	204,373

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

For the financial year ended 31 December 2023

**6 Units in issue**

During the financial years ended 31 December 2023 and 2022, 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>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Units at the beginning of the financial year	<b>637,608</b>	1,113,459	<b>44,105,297</b>	38,969,140
Units created	<b>214,687</b>	290,629	<b>6,377,800</b>	32,770,295
Units cancelled	<b>(430,152)</b>	(766,480)	<b>(10,075,391)</b>	(27,634,138)
Units at the end of the financial year	<b>422,143</b>	637,608	<b>40,407,706</b>	44,105,297
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Net assets attributable to unitholders (SGD equivalent)	<b>56,358,062</b>	132,050,063	<b>21,526,416</b>	36,902,839
Net assets value per unit (SGD equivalent)	<b>133.504</b>	207.102	<b>0.532</b>	0.836
Net assets attributable to unitholders (Class Currency)	<b>6,023,318,881</b>	12,990,863,641	<b>21,526,416</b>	36,902,839
Net assets value per unit (Class Currency)	<b>14,268.434</b>	20,374.388	<b>0.532</b>	0.836



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

For the financial year ended 31 December 2023

**6 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>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Units at the beginning of the financial year	<b>57,189,792</b>	58,774,075	<b>1,734,269</b>	2,007,394
Units created	<b>14,963,103</b>	5,676,348	<b>212,933</b>	-
Units cancelled	<b>(12,404,095)</b>	(7,260,631)	<b>(281,521)</b>	(273,125)
Units at the end of the financial year	<b><u>59,748,800</u></b>	<u>57,189,792</u>	<b><u>1,665,681</u></b>	<u>1,734,269</u>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Net assets attributable to unitholders (SGD equivalent)	<b>39,429,061</b>	59,287,783	<b>87,104,011</b>	140,756,187
Net assets value per unit (SGD equivalent)	<b>0.659</b>	1.036	<b>52.293</b>	81.161
Net assets attributable to unitholders (Class Currency)	<b>29,890,881</b>	44,205,028	<b>66,032,910</b>	104,947,948
Net assets value per unit (Class Currency)	<b>0.500</b>	0.772	<b>39.643</b>	60.514

As at reporting date, there is 1 unitholder (2022: 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 2023

**6 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:

	United China A-Shares Innovation Fund			
	Class JPY Acc		Class A SGD Acc	
	2023	2022	2023	2022
	\$	\$	\$	\$
Net assets attributable to unitholders per financial statements per unit	<b>133.504</b>	207.102	<b>0.532</b>	0.836
Effect of movement in the NAV between the last dealing date and the end of the reporting period*	<u><b>0.006</b></u>	<u>0.004</u>	<u>-</u>	<u>-</u>
Net assets attributable to unitholders for issuing/redeeming per unit	<u><b>133.510</b></u>	<u>207.106</u>	<u><b>0.532</b></u>	<u>0.836</u>
Net assets attributable to unitholders for issuing/redeeming per unit (Class Currency)	<u><b>14,269.019</b></u>	<u>20,374.807</u>	<u><b>0.532</b></u>	<u>0.836</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.

	United China A-Shares Innovation Fund			
	Class A USD Acc		Class T USD Acc	
	2023	2022	2023	2022
	\$	\$	\$	\$
Net assets attributable to unitholders per financial statements per unit	<b>0.659</b>	1.036	<b>52.293</b>	81.161
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>0.002</u>
Net assets attributable to unitholders for issuing/redeeming per unit	<u><b>0.659</b></u>	<u>1.036</u>	<u><b>52.295</b></u>	<u>81.163</u>
Net assets attributable to unitholders for issuing/redeeming per unit (Class Currency)	<u><b>0.500</b></u>	<u>0.772</u>	<u><b>39.644</b></u>	<u>60.515</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.

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**6 Units in issue** (continued)

	<b>United China A-Shares Consumption Upgrade Fund Class JPY Acc</b>	
	<b>2023</b>	<b>2022</b>
Units at the beginning of the financial year	<b>519,426</b>	846,315
Units created	<b>146,870</b>	221,923
Units cancelled	<b>(339,542)</b>	(548,812)
Units at the end of the financial year	<b>326,754</b>	519,426
	<b>\$</b>	<b>\$</b>
Net assets attributable to unitholders (SGD equivalent)	<b>22,019,866</b>	47,275,354
Net assets value per unit (SGD equivalent)	<b>67.389</b>	91.014
Net assets attributable to unitholders (Class Currency)	<b>2,353,393,126</b>	4,650,870,006
Net assets value per unit (Class Currency)	<b>7,202.347</b>	8,953.873

As at reporting date, there is 1 unitholder (2022: 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 2023

### 6 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 Consumption Upgrade Fund Class JPY Acc</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Net assets attributable to unitholders per financial statements per unit	<b>67.389</b>	91.014
Effect of movement in the NAV between the last dealing date and the end of the reporting period*	<u><b>0.004</b></u>	<u>0.002</u>
Net assets attributable to unitholders for issuing/redeeming per unit	<u><b>67.393</b></u>	<u>91.016</u>
Net assets attributable to unitholders for issuing/redeeming per unit (Class Currency)	<u><b>7,202.696</b></u>	<u>8,954.075</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.*

### 7 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 2023

### **7 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**

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**7 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 2023**

	SGD \$	RMB \$	JPY \$	USD \$	Total \$
<b>Assets</b>					
Portfolio of investments	8,448,000	176,450,385	-	-	184,898,385
Sales awaiting settlement	-	3,690,061	-	-	3,690,061
Receivables	1,416,579	-	-	-	1,416,579
Cash and bank balances	619,182	17,733,618	2,314,032	787,777	21,454,609
Margin accounts	-	204,397	-	-	204,397
<b>Total Assets</b>	<u>10,483,761</u>	<u>198,078,461</u>	<u>2,314,032</u>	<u>787,777</u>	<u>211,664,031</u>
<b>Liabilities</b>					
Purchases awaiting settlement	-	5,746,950	-	-	5,746,950
Payables	<u>1,146,601</u>	-	<u>352,930</u>	-	<u>1,499,531</u>
<b>Total Liabilities</b>	<u>1,146,601</u>	<u>5,746,950</u>	<u>352,930</u>	-	<u>7,246,481</u>
<b>Net currency exposure</b>	<u>9,337,160</u>	<u>192,331,511</u>	<u>1,961,102</u>	<u>787,777</u>	

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**7 Financial risk management** (continued)

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

*(i) Foreign exchange risk (continued)*

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	<u>1,283,191</u>	-	<u>230,322</u>	-	<u>1,513,513</u>
<b>Total Liabilities</b>	<u>1,283,191</u>	-	<u>230,322</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 2023

**7 Financial risk management** (continued)

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

*(i) Foreign exchange risk (continued)*

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

**As at 31 December 2023**

	SGD \$	RMB \$	JPY \$	Total \$
<b>Assets</b>				
Portfolio of investments	-	19,942,355	-	19,942,355
Receivables	208,127	-	-	208,127
Cash and bank balances	49,965	3,033,277	240,533	3,323,775
Margin accounts	-	121,657	-	121,657
<b>Total Assets</b>	<u>258,092</u>	<u>23,097,289</u>	<u>240,533</u>	<u>23,595,914</u>
<b>Liabilities</b>				
Purchases awaiting settlement	-	1,095,185	-	1,095,185
Payables	190,352	-	290,511	480,863
<b>Total Liabilities</b>	<u>190,352</u>	<u>1,095,185</u>	<u>290,511</u>	<u>1,576,048</u>
<b>Net currency exposure</b>	<u>67,740</u>	<u>22,002,104</u>	<u>(49,978)</u>	



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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**7 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>	

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 7 Financial risk management (continued)

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

##### (i) Foreign exchange risk (continued)

Investments, which is the significant item in the Statements 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	2023		2022	
	Volatility	Net impact to net assets attributable to unitholders	Volatility	Net impact to net assets attributable to unitholders
	%	\$	%	\$
United China A-Shares Innovation Fund				
RMB	4	635,245	4	596,012
United China A-Shares Consumption Upgrade Fund				
RMB	4	82,390	4	215,304
JPY	7	-*	7	191,543

\* denotes amount less than 0.1% of NAV

##### (ii) Price risk

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.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 7 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 2023 and 2022. 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	Volatility %	2023	Volatility %	2022
		Net impact to net assets attributable to unitholders \$		Net impact to net assets attributable to unitholders \$
<b>United China A-Shares Innovation Fund</b>				
MSCI China A-Shares	20	35,870,287	20	89,950,512
<b>United China A-Shares Consumption Upgrade Fund</b>				
MSCI China A-Shares	20	3,071,123	20	13,943,448

##### (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 2023

### **7 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 2023

**7 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 2023</b>			
Purchases awaiting settlement	<b>5,746,950</b>	-	-
Payables	<b>1,499,531</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	-	-

	<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 2023</b>			
Purchases awaiting settlement	<b>1,095,185</b>	-	-
Payables	<b>480,863</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	-	-

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 7 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 2023 and 2022.

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 2023</b>	Credit rating as at 31 December 2022
<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.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 7 Financial risk management (continued)

#### (c) Credit risk (continued)

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

	<b>Credit rating as at 31 December 2023</b>	Credit rating as at 31 December 2022
<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 2023

**7 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 2023 and 2022:

<b>United China A-Shares Innovation Fund</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>As at 31 December 2023</b>				
<b>Assets</b>				
Portfolio of investments				
- Quoted equities	<b>176,450,385</b>	-	-	<b>176,450,385</b>
- Quoted unit trusts	<b>8,448,000</b>	-	-	<b>8,448,000</b>
<b>Total</b>	<b>184,898,385</b>	-	-	<b>184,898,385</b>
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>As at 31 December 2022</b>				
<b>Assets</b>				
Portfolio of investments				
- Quoted equities	339,537,607	-	-	339,537,607
- Quoted unit trusts	10,714,000	-	-	10,714,000
<b>Total</b>	350,251,607	-	-	350,251,607



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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**7 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>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>As at 31 December 2023</b>				
<b>Assets</b>				
Portfolio of investments				
- Quoted equities	<u>19,942,355</u>	<u>-</u>	<u>-</u>	<u>19,942,355</u>
<b>Total</b>	<u>19,942,355</u>	<u>-</u>	<u>-</u>	<u>19,942,355</u>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>As at 31 December 2022</b>				
<b>Assets</b>				
Portfolio of investments				
- Quoted equities	<u>46,523,281</u>	<u>-</u>	<u>-</u>	<u>46,523,281</u>
<b>Total</b>	<u>46,523,281</u>	<u>-</u>	<u>-</u>	<u>46,523,281</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.

The assets and liabilities included in the Statements of Financial Position except portfolio of investments are carried at amortised cost; their carrying values are reasonable approximation of fair value.

## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

### **8 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 Statements of Portfolio. These investments are included within "Portfolio of Investments" in the Statements 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.

### **9 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 2023

**9 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>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>State Street Bank and Trust Company, Singapore Branch</b>				
Cash and bank balances	<b>21,454,609</b>	18,905,630	<b>3,323,775</b>	8,009,208

(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>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>State Street Bank and Trust Company, Singapore Branch</b>				
Interest income	<b>68,450</b>	133,040	<b>7,964</b>	21,352
<b>United Overseas Bank Limited</b>				
Bank charges	<b>17,462</b>	11,067	<b>3,020</b>	2,341

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**10 Financial ratios**

	<b>United China A-Shares Innovation Fund</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Class JPY Acc</b>		
Total operating expenses	<b>781,034</b>	1,919,250
Average daily net assets value	<b><u>96,313,687</u></b>	<u>212,314,579</u>
Expense ratio <sup>1</sup>	<b><u>0.81%</u></b>	<u>0.90%</u>
<b>Class A SGD Acc</b>		
Total operating expenses	<b>612,727</b>	837,950
Average daily net assets value	<b><u>29,888,616</u></b>	<u>40,061,254</u>
Expense ratio <sup>1</sup>	<b><u>2.05%</u></b>	<u>2.09%</u>
<b>Class A USD Acc</b>		
Total operating expenses	<b>1,184,488</b>	1,547,432
Average daily net assets value	<b><u>57,642,680</u></b>	<u>72,711,727</u>
Expense ratio <sup>1</sup>	<b><u>2.05%</u></b>	<u>2.13%</u>
<b>Class T USD Acc</b>		
Total operating expenses	<b>1,050,154</b>	1,691,710
Average daily net assets value	<b><u>122,796,698</u></b>	<u>179,672,614</u>
Expense ratio <sup>1</sup>	<b><u>0.86%</u></b>	<u>0.94%</u>
Lower of total value of purchases or sales	<b>683,072,081</b>	361,853,439
Average daily net assets value	<b><u>306,641,681</u></b>	<u>504,760,174</u>
Turnover ratio <sup>2</sup>	<b><u>222.76%</u></b>	<u>71.69%</u>

<sup>1</sup> 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, 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.

<sup>2</sup> 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 2023

**10 Financial ratios (continued)**

	<b>United China A-Shares Consumption Upgrade Fund</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Class JPY Acc</b>		
Total operating expenses	<b>365,532</b>	751,510
Average daily net assets value	<b><u>36,543,254</u></b>	<u>73,651,683</u>
Expense ratio <sup>1</sup>	<b><u>1.00%</u></b>	<u>1.02%</u>
Lower of total value of purchases or sales	<b>75,147,687</b>	147,110,247
Average daily net assets value	<b><u>36,543,254</u></b>	<u>73,651,683</u>
Turnover ratio <sup>2</sup>	<b><u>205.64%</u></b>	<u>199.74%</u>

<sup>1</sup> 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, 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.

<sup>2</sup> 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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