

# 新加坡大華亞洲基金 年度財務報告

(中文簡譯本)

2021 年 12 月 31 日

大華資產管理有限公司  
**UOB ASSET MANAGEMENT LTD.**  
新加坡領先的基金客戶經理  
[www.uobam.com.sg](http://www.uobam.com.sg)

大華銀證券投資信託股份有限公司  
**UOB ASSET MANAGEMENT (TAIWAN) CO LTD**  
<https://www.uobam.com.tw/>

本基金財務報告內容如與英文版財務報告有任何歧異，以英文版財務報告為主。  
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# 新加坡大華亞洲基金財務報告

## 【新加坡大華亞洲基金財務報告】 會計師查核報告

新加坡大華亞洲基金（以下簡稱『本基金』）2021年12月31日之資產負債表及投資組合明細表，暨2021年1月1日至12月31日之總投資報酬表、重要會計政策及財務報表之附註，業經本會計師查核竣事。上開財務報表之編制係新加坡大華資產管理有限公司之負責，本會計師之責任則為跟據查核結果對上開財務報表表示意見。

### 基金管理機構之責任

上開財務報表之編制係基金管理機構之責任，係依照新加坡會計師協會所頒佈之會計報表實務七中關於『單位信託基金財務報告之架構』編制財務報表並忠實呈現報表所含資訊。而此責任包含設計、執行及維護內部控制以確保財務報表無重大不實表達、舞弊及錯誤，且選擇並採用適當之會計政策及會計估計。

### 會計師之責任

本會計師係依照新加坡一般公認審計準則規劃並執行查核工作，以合理確信財務報表有無重大不實表達。此項查核工作就其內部控制制度作必要之研究及評估，以決定查核程序，惟不對內控有效性表示意見。相關查核程序為獲取財務報表所列金額及所揭露事項之查核證據、評估管理階層編製財務報表所採用之會計原則及所作之重大會計估計，暨評估財務報表整體之表達。本會計師相信此項查核工作可對所表示之意見提供合理之依據。

### 會計師之意見

依本會計師之意見，第一段所述財務報表在所有重大方面係依照新加坡會計師協會所發佈之會計財務報表實務七中『單位信託基金財務報告之架構』編製，足以允當表達本基金2021年12月31日之資產負債表及投資組合明細表，暨2021年1月1日至12月31日之總投資報酬表。

PricewaterhouseCoopers LLP  
Public Accountants and Chartered Accountants

新加坡  
2022年3月28日

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UOB Asset Management(Taiwan) Co Ltd

大華銀證券投資信託股份有限公司 (105)金管投信新字第零壹參號 台北市民生東路三段 109 號 16 樓 (02) 2719-7005

# 新加坡大華亞洲基金財務報告

## 總投資報酬表

2021 年 1 月 1 日至 2021 年 12 月 31 日

	2021 星幣\$	2020 星幣\$
收入		
股利	2,378,862	621,414
利息	-	160
	<b>2,378,862</b>	<b>621,574</b>
減項：費用		
管理費	705,276	458,418
受託公司費	20,165	12,749
查核費	16,306	15,592
登錄費	14,979	15,000
評價費	70,528	45,842
保管費	53,165	25,457
交易成本	617,593	459,416
利息支出	5	-
其他費用	71,091	67,821
	<b>1,569,108</b>	<b>1,100,295</b>
淨收益（損失）	<b>809,754</b>	<b>(478,721)</b>
淨投資總收益（損失）		
淨投資收益(損失)	4,187,787	8,388,842
衍生性金融商品收益（損失）	(1,002,335)	(122,899)
兌換收益(損失)	34,260	(20,088)
	<b>3,219,712</b>	<b>8,245,855</b>
稅前總投資報酬（損失）	4,029,466	7,767,134
減項：所得稅	(357,124)	(69,543)
減項：資本利得稅	(451,132)	(78,914)
總投資報酬（損失）	<b>3,221,210</b>	<b>7,618,677</b>

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# 新加坡大華亞洲基金財務報告

## 資產負債表 2021 年 12 月 31 日

	2021 星幣\$	2020 星幣\$
<b>資產</b>		
投資組合部位	56,950,153	40,838,593
待交割銷售部位	3,001,031	-
應收帳款	114,322	67,711
現金及銀行存款	2,564,925	449,861
券商保證金	1,568,270	271,871
衍生性金融商品公平價值	5,078	-
<b>總資產</b>	<b>64,203,779</b>	<b>41,628,036</b>
<b>負債</b>		
待交割買進部位	4,641,277	-
應付帳款	479,852	274,603
衍生性金融商品公平價值	40,619	-
<b>總負債</b>	<b>5,161,748</b>	<b>274,603</b>
<b>權益</b>		
基金單位持有人資產淨值	59,042,031	41,353,433

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# United Asia Fund

## Annual Report

for the financial year ended  
31 December 2021



## **United Asia Fund**

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

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### **MANAGER**

UOB Asset Management Ltd

Registered Address:

80 Raffles Place

UOB Plaza

Singapore 048624

Company Registration No. : 198600120Z

Tel: 1800 22 22 228

### **DIRECTORS OF UOB ASSET MANAGEMENT LTD**

Lee Wai Fai

Peh Kian Heng

Thio Boon Kiat

Lam Sai Yoke (Appointed 1 February 2022)

Edmund Leong Kok Mun (Appointed 1 February 2022)

Eric Tham Kah Jin (Resigned 31 January 2022)

### **TRUSTEE**

State Street Trust (SG) Limited

168 Robinson Road

#33-01, Capital Tower

Singapore 068912

### **CUSTODIAN / ADMINISTRATOR / REGISTRAR**

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

168 Robinson Road

#33-01, Capital Tower

Singapore 068912

### **AUDITOR**

PricewaterhouseCoopers LLP

7 Straits View, Marina One

East Tower, Level 12

Singapore 018936

## United Asia Fund

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

### A) Fund Performance

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 20 April 1992 Ann Comp Ret
United Asia Fund	-4.79	-6.09	10.24	14.23	9.93	7.16	6.82
Benchmark	-1.92	-10.19	-2.81	11.66	9.77	8.44	6.22

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: Apr 92 – Dec 11: MSCI AC FE ex Japan; Jan 12 to present: MSCI AC Asia ex Japan.

For the twelve months ended 31 December 2021, the net asset value (NAV) of the Fund **appreciated by 10.24%** compared to the benchmark MSCI AC Asia ex Japan Index which declined by 2.81%.

As at 31 December 2021, the Fund had the following country exposures: **China** (29.82%), **Taiwan** (23.30%), **India** (17.29%), **South Korea** (9.82%), **Malaysia** (6.44%), **Singapore** (4.44%), **Philippines** (3.80%), **Hong Kong** (1.55%), with the reminder in cash (3.54%).

Sector allocation: **Information Technology** (24.57%), **Financials** (18.67%), **Materials** (10.80%), **Industrials** (10.18%), **Energy** (6.61%), **Consumer Discretionary** (5.74%), **Utilities** (5.72%), **Health Care** (5.03%), and others (9.14%) with the reminder in cash (3.54%).

The Fund's outperformance is largely due to superior stock selection from **China** and **India**. On sector basis, the stock selection in **Information Technology**, **Consumer Discretionary** and **Financials** were positive to performance.

Key contributors to the Fund's performance include **E Ink Holdings Inc (Taiwan)**, **Ningbo Jifeng Auto Parts Co Ltd Class A (China)** and **Innolux Corp (Taiwan)**. Key detractors include **Simcere Pharmaceutical Group Limited (China)**, **Huaibei Mining Holdings Co Ltd Class A (China)** and **Meituan Class B (China)**.

### Economic and Market Review

For the 12 months ended 31 December 2021, equity markets in MSCI Asia Pacific ex-Japan fell, marking a challenging year for investors facing significant market dispersion within Asian markets.

In Asia, the year was characterised by the removal of restrictions and lockdowns, as countries aimed for economic recovery through reopening and global trade. However, efforts to reopen was disrupted by continuous outbreaks, firstly by the Delta COVID-19 variant and then the Omicron COVID-19 variant towards the end of the year. This served as near term obstacles and ultimately dampened investor optimism and risk appetite.



## United Asia Fund

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### A) Fund Performance (continued)

Within individual markets, countries faced varying degrees of reopening and regulatory disruption. **China** was the worst performing market as large mega caps in the e-commerce and internet companies were adversely impacted by regulatory tightening or **China**-linked American Depository Receipts (ADR) delisting fears. The **China Real Estate** sector was also badly affected last year, as several property developers faced a liquidity crunch and inability to fulfil debt obligations. Meanwhile in better performing markets such as **India** and **Taiwan**, market outperformance was supported by constant upward revisions in earnings.

From an economic perspective, GDP growth in Asia was 6.8% for 2021, above trend from most economies. This was largely within consensus given the lower base effects of 2020 lows. In terms of monetary policies, central banks around the region continued to be accommodative to boost economic recovery.

Over the 12 months, equity markets in APAC ex-Japan were led by **India** as well as **Taiwan**. The economic activity in **India** was largely led by domestic recovery. Meanwhile the export-oriented economy in **Taiwan** was the key beneficiary of the revival in global trade, driving economic growth ahead of Southeast Asian counterparts that were more dependent on travel and tourism.

### Outlook and Fund Strategy

The macro and corporate fundamental backdrop for Asia equities remain positive due to the large exposure to global trade recovery. The resurgence of COVID-19 prompting mobility restrictions and lockdowns will however temper the near-term outlook. Despite this, we expect markets to look past transitory weaknesses and pain points once inoculation rates gain momentum. More importantly, Asian central banks are likely to maintain their accommodative stance in monetary policies in 2H 2021, given the still weak underlying economic growth, especially for Southeast Asian economies.

Key downside risks to our constructive stance for Asian markets include stalling external demand due to delays in vaccine rollouts which will hold back the pace of global economic recovery.

We adopt a bottom-up in our selections and will continue to stay invested in companies with good fundamentals as the investment thesis remains intact. Meanwhile we are seeking out attractive investments that offer superior risks-reward profiles. We are conscious of the Fund's absolute benchmark and the need to manage risks on the downside and hence will adjust cash levels accordingly and employ equity futures to hedge risk exposure tactically.

## United Asia Fund

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**B) Investments at fair value and as a percentage of net asset value (“NAV”) as at 31 December 2021 under review classified by**

**i) Country**

	Fair Value (S\$)	% of NAV
China	17,609,267	29.82
Hong Kong	912,783	1.55
India	10,208,048	17.29
Malaysia	3,802,642	6.44
Philippines	2,243,430	3.80
Singapore	2,620,068	4.44
South Korea	5,798,877	9.82
Taiwan	<u>13,755,038</u>	<u>23.30</u>
Portfolio of investments	56,950,153	96.46
Other net assets/(liabilities)	<u>2,091,878</u>	<u>3.54</u>
<b>Total</b>	<b><u>59,042,031</u></b>	<b><u>100.00</u></b>

**ii) Industry**

	Fair Value (S\$)	% of NAV
Communication Services	1,846,719	3.13
Consumer Discretionary	3,389,570	5.74
Consumer Staples	1,816,632	3.08
Energy	3,900,272	6.61
Financials	11,024,741	18.67
Health Care	2,968,928	5.03
Industrials	6,012,385	10.18
Information Technology	14,505,729	24.57
Materials	6,377,220	10.80
Real Estate	1,728,865	2.93
Utilities	<u>3,379,092</u>	<u>5.72</u>
Portfolio of investments	56,950,153	96.46
Other net assets/(liabilities)	<u>2,091,878</u>	<u>3.54</u>
<b>Total</b>	<b><u>59,042,031</u></b>	<b><u>100.00</u></b>

## United Asia Fund

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

### B) Investments at fair value and as a percentage of net asset value (“NAV”) as at 31 December 2021 under review classified by (continued)

#### iii) Asset Class

	Fair Value (S\$)	% of NAV
Quoted equities	56,950,153	96.46
Other net assets/(liabilities)	2,091,878	3.54
<b>Total</b>	<b>59,042,031</b>	<b>100.00</b>

#### iv) Credit rating of quoted bonds

N/A

### C) Top Ten Holdings

10 largest holdings as at 31 December 2021

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
WIPRO LTD	2,244,895	3.80
INARI AMERTRON BHD	2,146,943	3.63
INDIAN OIL CORP LTD	2,064,403	3.50
XPENG INC - CLASS A SHARES	1,932,920	3.27
YUANTA FINANCIAL HOLDING CO LTD	1,843,053	3.12
WILMAR INTERNATIONAL LTD	1,816,632	3.08
BANK OF CHINA LTD - H	1,812,445	3.07
ZHEN DING TECHNOLOGY HOLDING LTD	1,767,866	3.00
HUADIAN POWER INTERNATIONAL CORP LTD - H	1,749,692	2.96
TATA STEEL LTD	1,747,874	2.96

**United Asia Fund**  
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**C) Top Ten Holdings** (continued)

10 largest holdings as at 31 December 2020

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
ANEKA TAMBANG TBK	1,587,040	3.85
QISDA CORP	1,267,767	3.07
TUNG HO STEEL ENTERPRISE CORP	1,249,871	3.02
HINDUSTAN PETROLEUM CORP LTD	1,227,779	2.97
BAOSHAN IRON & STEEL CO LTD	1,220,131	2.95
WALSIN LIHWA CORP	1,217,383	2.95
ITC LTD	1,193,822	2.88
INDOCEMENT TUNGGAL PRAKARSA TBK PT	1,193,331	2.88
E INK HOLDINGS INC	1,182,712	2.86
BHARAT PETROLEUM CORP LTD	1,181,557	2.86

**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 2021

	Contract or underlying principal amount \$	Positive fair value \$	% of NAV	Negative fair value \$	% of NAV
Futures	11,043,156	-	-	35,812	0.06
Foreign currency contracts	5,853,749	5,078	0.01	4,807	0.01

## United Asia Fund

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

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**D) Exposure to derivatives** (continued)

- ii) There was a net realised loss of SGD 966,794 on derivative contracts during the financial year ended 31 December 2021.
- iii) There was a net unrealised loss of SGD 35,541 on outstanding derivative contracts marked to market as at 31 December 2021.

**E) Amount and percentage of NAV invested in other schemes as at 31 December 2021**

N/A

**F) Amount and percentage of borrowings to NAV as at 31 December 2021**

N/A

**G) Amount of redemptions and subscriptions for the financial year ended 31 December 2021**

Total amount of redemptions	SGD	20,563,761
Total amount of subscriptions	SGD	35,031,149

**H) The amount and terms of related-party transactions for the financial year ended 31 December 2021**

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

## United Asia Fund

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

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**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 2021 and 31 December 2020

N/A

- ii) Expense ratios for the financial year ended 31 December 2021 and 31 December 2020

N/A

- iii) Turnover ratios for the financial year ended 31 December 2021 and 31 December 2020

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 has 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 Asia Fund**

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### **REPORT OF THE TRUSTEE**

The Trustee is under a duty to take into custody and hold the assets of United Asia Fund (the "Fund") 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 Fund during the financial year covered by these financial statements, set out on pages 14 to 43, 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  
28 March 2022

## **United Asia Fund**

(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 14 to 43, comprising the Statement of Total Return, Statement of Financial Position, Statement of Movements of Unitholders' Funds, Statement of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position and portfolio holdings of United Asia Fund (the "Fund") as at 31 December 2021, and the financial performance and movements of unitholders' funds for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Fund will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager  
UOB ASSET MANAGEMENT LTD

THIO BOON KIAT  
Authorised signatory  
28 March 2022



## **INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF UNITED ASIA FUND**

### ***Our Opinion***

In our opinion, the accompanying financial statements of United Asia Fund (the "Fund"), are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants, so as to present fairly, in all material respects, the financial position and portfolio holdings of the Fund as at 31 December 2021, and the financial performance and movements of unitholders' funds for the financial year ended on that date.

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

The financial statements of the Fund comprise:

- the Statement of Total Return for the financial year ended 31 December 2021;
- the Statement of Financial Position as at 31 December 2021;
- the Statement of Movements of Unitholders' Funds for the financial year ended 31 December 2021;
- the Statement of Portfolio as at 31 December 2021; and
- the Notes to the Financial Statements, including a summary of significant accounting policies.

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

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

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

### ***Independence***

We are independent of the Fund 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.

### ***Other Information***

The Fund's 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF UNITED ASIA FUND**

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

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

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

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

In preparing the financial statements, the Manager is responsible for assessing the Fund's 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 Fund or to cease the Fund's operations, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Fund's 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.

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.

## **INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF UNITED ASIA FUND**

- 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 Fund's 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 Fund's 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 Fund 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.

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, 28 March 2022

## United Asia Fund

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

### STATEMENT OF TOTAL RETURN

For the financial year ended 31 December 2021

	Note	2021 \$	2020 \$
<b>Income</b>			
Dividends		2,378,862	621,414
Interest		-	160
<b>Total</b>		<u>2,378,862</u>	<u>621,574</u>
<b>Less: Expenses</b>			
Management fee	9	705,276	458,418
Trustee fee	9	20,165	12,749
Audit fee		16,306	15,592
Registrar fee	9	14,979	15,000
Valuation fee	9	70,528	45,842
Custody fee	9	53,165	25,457
Transaction costs		617,593	459,416
Interest expenses		5	-
Other expenses		71,091	67,821
<b>Total</b>		<u>1,569,108</u>	<u>1,100,295</u>
<b>Net income/(losses)</b>		<u>809,754</u>	<u>(478,721)</u>
<b>Net gains/(losses) on value of investments and financial derivatives</b>			
Net gains/(losses) on investments		4,187,787	8,388,842
Net gains/(losses) on financial derivatives		(1,002,335)	(122,899)
Net foreign exchange gains/(losses)		34,260	(20,088)
		<u>3,219,712</u>	<u>8,245,855</u>
<b>Total return/(deficit) for the financial year before income tax</b>		<u>4,029,466</u>	<u>7,767,134</u>
Less: Income tax	3	(357,124)	(69,543)
Less: Capital gains tax	3	(451,132)	(78,914)
<b>Total return/(deficit) for the financial year</b>		<u>3,221,210</u>	<u>7,618,677</u>

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

# United Asia Fund

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

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Note	2021 \$	2020 \$
<b>Assets</b>			
Portfolio of investments		56,950,153	40,838,593
Sales awaiting settlement		3,001,031	-
Receivables	4	114,322	67,711
Cash and bank balances		2,564,925	449,861
Margin accounts		1,568,270	271,871
Financial derivatives at fair value	6	5,078	-
<b>Total assets</b>		<u>64,203,779</u>	<u>41,628,036</u>
<b>Liabilities</b>			
Purchases awaiting settlement		4,641,277	-
Payables	5	479,852	274,603
Financial derivatives at fair value	6	40,619	-
<b>Total liabilities</b>		<u>5,161,748</u>	<u>274,603</u>
<b>Equity</b>			
<b>Net assets attributable to unitholders</b>	7	<u>59,042,031</u>	<u>41,353,433</u>

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

# United Asia Fund

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

## STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS

For the financial year ended 31 December 2021

	Note	2021 \$	2020 \$
<b>Net assets attributable to unitholders at the beginning of the financial year</b>		<b>41,353,433</b>	37,876,031
<b>Operations</b>			
Change in net assets attributable to unitholders resulting from operations		<b>3,221,210</b>	7,618,677
<b>Unitholders' contributions/(withdrawals)</b>			
Creation of units		<b>35,031,149</b>	834,712
Cancellation of units		<b>(20,563,761)</b>	(4,975,987)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		<b>14,467,388</b>	(4,141,275)
Total increase/(decrease) in net assets attributable to unitholders		<b>17,688,598</b>	3,477,402
<b>Net assets attributable to unitholders at the end of the financial year</b>	7	<b>59,042,031</b>	41,353,433

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

## United Asia Fund

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

### STATEMENT OF PORTFOLIO

As at 31 December 2021

	Holdings at 31 December 2021	Fair value at 31 December 2021 \$	Percentage of total net assets attributable to unitholders at 31 December 2021 %
<b>By Geography - Primary</b>			
<b>Quoted equities</b>			
<b>CHINA</b>			
AIRTAC INTERNATIONAL GROUP	603	29,970	0.05
BANK OF CHINA LTD - H	3,730,000	1,812,445	3.07
BAOSHAN IRON & STEEL CO LTD	378,540	573,318	0.97
CHINA MERCHANTS BANK CO LTD - H	110,000	1,151,745	1.95
COSCO SHIPPING PORTS LTD	876,000	1,025,516	1.74
GENSCRIPT BIOTECH CORP	154,000	918,733	1.56
HANGZHOU LION ELECTRONICS CO LTD	22,392	568,435	0.96
HARBIN BOSHI AUTOMATION CO LTD	469,662	1,295,488	2.20
HUADIAN POWER INTERNATIONAL CORP LTD - H	2,976,000	1,749,692	2.96
HUANENG POWER INTERNATIONAL INC - H	952,000	857,678	1.45
INDUSTRIAL & COMMERCIAL BANK OF CHINA LTD - H	1,465,000	1,114,654	1.89
SHENZHEN MINDRAY BIO-MEDICAL ELECTRONICS CO LTD	7,200	579,962	0.98
WUXI APPTTEC CO LTD - H	62,980	1,470,233	2.49
XINXIANG CHEMICAL FIBER CO LTD	1,449,699	1,720,328	2.91
XPENG INC - CLASS A SHARES	60,000	1,932,920	3.27
XTEP INTERNATIONAL HOLDINGS LTD	359,500	<u>808,150</u>	<u>1.37</u>
<b>TOTAL CHINA</b>		<b><u>17,609,267</u></b>	<b><u>29.82</u></b>
<b>HONG KONG</b>			
FORTUNE REAL ESTATE INVESTMENT TRUST	659,000	912,783	1.55

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

# United Asia Fund

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

## STATEMENT OF PORTFOLIO

As at 31 December 2021

	Holdings at 31 December 2021	Fair value at 31 December 2021 \$	Percentage of total net assets attributable to unitholders at 31 December 2021 %
<b>By Geography - Primary (continued)</b>			
<b>Quoted equities</b>			
<b>INDIA</b>			
DEEPAK NITRITE LTD	25,217	1,138,856	1.93
INDIAN OIL CORP LTD	1,020,889	2,064,403	3.50
INFOSYS LTD	24,126	825,983	1.40
L&T TECHNOLOGY SERVICES LTD	7,389	750,297	1.27
OIL & NATURAL GAS CORP LTD	257,116	664,018	1.12
POWER GRID CORP OF INDIA LTD	208,180	771,722	1.31
TATA STEEL LTD	86,712	1,747,874	2.96
WIPRO LTD	173,036	<u>2,244,895</u>	<u>3.80</u>
<b>TOTAL INDIA</b>		<b><u>10,208,048</u></b>	<b><u>17.29</u></b>
<b>MALAYSIA</b>			
D&O GREEN TECHNOLOGIES BHD	543,600	1,037,888	1.76
INARI AMERTRON BHD	1,658,600	2,146,943	3.63
PRESS METAL ALUMINIUM HOLDINGS BHD	330,300	<u>617,811</u>	<u>1.05</u>
<b>TOTAL MALAYSIA</b>		<b><u>3,802,642</u></b>	<b><u>6.44</u></b>
<b>PHILIPPINES</b>			
CONVERGE INFORMATION AND COMMUNICATIONS TECHNOLOGY SOLUTIONS INC	661,300	557,726	0.94
DMCI HOLDINGS INC	8,269,800	<u>1,685,704</u>	<u>2.86</u>
<b>TOTAL PHILIPPINES</b>		<b><u>2,243,430</u></b>	<b><u>3.80</u></b>

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



# United Asia Fund

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

## STATEMENT OF PORTFOLIO

As at 31 December 2021

	Holdings at 31 December 2021	Fair value at 31 December 2021 \$	Percentage of total net assets attributable to unitholders at 31 December 2021 %
<b>By Geography - Primary (continued)</b>			
<b>Quoted equities</b>			
<b>SINGAPORE</b>			
DBS GROUP HOLDINGS LTD	24,600	803,436	1.36
WILMAR INTERNATIONAL LTD	438,800	<u>1,816,632</u>	<u>3.08</u>
<b>TOTAL SINGAPORE</b>		<u><b>2,620,068</b></u>	<u><b>4.44</b></u>
<b>SOUTH KOREA</b>			
ECOPRO BM CO LTD	1,085	616,228	1.04
GS HOLDINGS CORP	26,427	1,171,851	1.99
HANA FINANCIAL GROUP INC	31,334	1,494,272	2.53
HYUNDAI MOTOR CO	2,736	648,500	1.10
KAKAO CORP	10,103	1,288,993	2.18
POSCO	1,860	<u>579,033</u>	<u>0.98</u>
<b>TOTAL SOUTH KOREA</b>		<u><b>5,798,877</b></u>	<u><b>9.82</b></u>
<b>TAIWAN</b>			
CATHAY FINANCIAL HOLDING CO LTD	202,000	615,188	1.04
CHIPBOND TECHNOLOGY CORP	161,000	523,272	0.89
CTBC FINANCIAL HOLDING CO LTD	1,262,000	1,595,779	2.70
FARGLORY LAND DEVELOPMENT CO LTD	271,000	816,082	1.38
KING SLIDE WORKS CO LTD	24,000	604,614	1.03
MEDIATEK INC	16,000	927,776	1.57
MEGA FINANCIAL HOLDING CO LTD	343,000	594,169	1.01
QISDA CORP	1,024,000	1,519,370	2.57
REALTEK SEMICONDUCTOR CORP	52,000	1,469,628	2.49
TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	29,000	869,059	1.47

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

# United Asia Fund

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

## STATEMENT OF PORTFOLIO

As at 31 December 2021

	Holdings at 31 December 2021	Fair value at 31 December 2021 \$	Percentage of total net assets attributable to unitholders at 31 December 2021 %
<b>By Geography - Primary (continued)</b>			
<b>Quoted equities</b>			
<b>TAIWAN (continued)</b>			
TECO ELECTRIC AND MACHINERY CO LTD	395,000	609,182	1.03
YUANTA FINANCIAL HOLDING CO LTD	1,495,000	1,843,053	3.12
ZHEN DING TECHNOLOGY HOLDING LTD	361,000	<u>1,767,866</u>	<u>3.00</u>
<b>TOTAL TAIWAN</b>		<u><b>13,755,038</b></u>	<u><b>23.30</b></u>
<b>Total Equities</b>		<u><b>56,950,153</b></u>	<u><b>96.46</b></u>
<b>Portfolio of investments</b>		<b>56,950,153</b>	<b>96.46</b>
<b>Other net assets/(liabilities)</b>		<u><b>2,091,878</b></u>	<u><b>3.54</b></u>
<b>Net assets attributable to unitholders</b>		<u><b>59,042,031</b></u>	<u><b>100.00</b></u>

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

## United Asia Fund

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

### STATEMENT OF PORTFOLIO

As at 31 December 2021

	Percentage of total net assets attributable to unitholders at 31 December 2021 %	Percentage of total net assets attributable to unitholders at 31 December 2020 %
<b>By Geography - Primary (Summary)</b>		
<b>Quoted equities</b>		
China	<b>29.82</b>	30.30
Hong Kong	<b>1.55</b>	3.15
India	<b>17.29</b>	11.80
Indonesia	<b>-</b>	10.42
Malaysia	<b>6.44</b>	0.90
Philippines	<b>3.80</b>	4.54
Singapore	<b>4.44</b>	0.95
South Korea	<b>9.82</b>	10.31
Taiwan	<b>23.30</b>	23.63
Thailand	<b>-</b>	2.76
<b>Portfolio of investments</b>	<b>96.46</b>	98.76
<b>Other net assets/(liabilities)</b>	<b>3.54</b>	1.24
<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 Asia Fund

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

### STATEMENT OF PORTFOLIO

As at 31 December 2021

	Fair value at 31 December 2021 \$	Percentage of total net assets attributable to unitholders at 31 December 2021 %	Percentage of total net assets attributable to unitholders at 31 December 2020 %
<b>By Industry - Secondary Quoted equities</b>			
Communication Services	1,846,719	3.13	5.40
Consumer Discretionary	3,389,570	5.74	5.02
Consumer Staples	1,816,632	3.08	7.96
Energy	3,900,272	6.61	5.83
Financials	11,024,741	18.67	21.97
Health Care	2,968,928	5.03	5.61
Industrials	6,012,385	10.18	14.18
Information Technology	14,505,729	24.57	18.04
Materials	6,377,220	10.80	13.85
Real Estate	1,728,865	2.93	0.90
Utilities	3,379,092	5.72	-
<b>Portfolio of investments</b>	<b>56,950,153</b>	<b>96.46</b>	<b>98.76</b>
<b>Other net assets/(liabilities)</b>	<b>2,091,878</b>	<b>3.54</b>	<b>1.24</b>
<b>Net assets attributable to unitholders</b>	<b>59,042,031</b>	<b>100.00</b>	<b>100.00</b>

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

## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

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

### **1 General**

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

The investment objective of the Fund is to achieve long term capital growth mainly through investing in the securities of corporations in, or corporations listed or traded on stock exchanges in, or corporations which derive a significant proportion of their revenue or profits from or have a significant proportion of their assets in, Asia (excluding Japan).

The following classes of units are currently offered for subscriptions:

- Class SGD
- Class JPY

Subscriptions and redemptions of the units of Class SGD are denominated in the Singapore Dollar and the United States Dollar. Investors may subscribe in the United States Dollar at the applicable rate of exchange from the Singapore Dollar.

Subscriptions and redemptions of the units of Class JPY are denominated in the Japanese Yen. No units of class JPY have been issued during the financial years ended 31 December 2021 and 2020.

### **2 Significant accounting policies**

#### **(a) Basis of preparation**

The financial statements have been prepared under the historical cost convention, modified by the revaluation of financial assets held at fair value through profit or loss, and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 “Reporting Framework for Investment Funds” revised and issued by the Institute of Singapore Chartered Accountants in July 2020 for the financial year beginning on or after 1 July 2020.

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

## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

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

#### **(b) Recognition of income**

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

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

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

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

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

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

Investments are subsequently carried at fair value. Net changes in fair value on investments are included in the Statement 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 Statement 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 Fund 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.

## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

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

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

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

The performance of the Fund 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 Fund operates. The financial statements are presented in the Singapore Dollar, which is the Fund's functional and presentation currency.

##### *(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 Statement of Total Return. Translation differences on non-monetary financial assets and liabilities are also recognised in the Statement 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 Statement 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.

## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

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

#### **(j) 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 Statement of Total Return.

#### **(k) 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 Fund. 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.

#### **(l) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Fund or the counterparty.

Cash collateral provided by the Fund is identified in the Statement of Financial Position as margin cash and is not included as a component of cash and bank balances.



## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

### 3 Income tax

	2021 \$	2020 \$
Singapore income tax (refund)/expense	(30)	169
Overseas income tax	<u>357,154</u>	<u>69,374</u>
Total income tax	<u>357,124</u>	<u>69,543</u>
Capital gains tax	451,132	78,914

The Trustee of the Fund has assessed and is satisfied that the Fund has met the requisite conditions under the Designated Unit Trust ("DUT") Scheme for the current financial year. The Trustee of the Fund will ensure that the Fund fulfills its reporting obligations under the DUT Scheme.

Under the DUT Scheme, subject to certain conditions and reporting obligations being met, certain income of the DUT Fund is not taxable in accordance with Sections 35(12) and 35(12A) of the Income Tax Act 1947. Such income includes:

- (i) gains or profits derived from Singapore or elsewhere from the disposal of securities;
- (ii) interest (other than interest for which tax has been deducted under Section 45 of the Income Tax Act 1947);
- (iii) dividends derived from outside Singapore and received in Singapore;
- (iv) gains or profits derived from foreign exchange transactions, transactions in futures contracts, transactions in interest rate or currency forwards, swaps or option contracts and transactions in forwards, swaps or option contracts relating to any securities or financial index;
- (v) discount, prepayment fee, redemption premium and break cost from qualifying debt securities issued during the prescribed period; and
- (vi) distributions from foreign unit trusts derived from outside Singapore and received in Singapore.

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

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

Capital gains tax represents tax on capital gains sourced from India.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

### 3 Income tax (continued)

The Fund is required to recognise a tax liability when it is probable that the tax laws of foreign countries require a tax liability to be assessed on the Fund's gains on investments sourced from such foreign countries, assuming the relevant taxing authorities have full knowledge of all the facts and circumstances. The tax liability is then measured at the amount expected to be paid to the relevant taxation authorities using the tax laws and rates that have been enacted or substantively enacted by the end of the financial year. There is sometimes uncertainty about the way enacted tax law is applied to offshore investment funds. This creates uncertainty about whether or not a tax liability will ultimately be paid by the Fund. Therefore when measuring any uncertain tax liabilities, management considers all of the relevant facts and circumstances available at the time which could influence the likelihood of payment, including any formal or informal practices of the relevant tax authorities.

As at 31 December 2021, the Fund has uncertain tax exposure with respect to gains on investment of which the tax liability is estimated to be \$102,696 (2020: \$55,648). While this represents the Manager's best estimate, the estimated value could differ significantly from the amount ultimately payable.

### 4 Receivables

	2021	2020
	\$	\$
Amounts receivable for creation of units	16,975	568
Dividends receivable	46,468	16,865
Other receivables	<u>50,879</u>	<u>50,278</u>
	<u>114,322</u>	<u>67,711</u>

### 5 Payables

	2021	2020
	\$	\$
Amounts payable for cancellation of units	79,119	35,534
Amount due to the Manager	220,877	135,255
Amount due to Trustee	5,622	3,443
Tax payables	109,039	57,430
Other creditors and accrued expenses	<u>65,195</u>	<u>42,941</u>
	<u>479,852</u>	<u>274,603</u>

**United Asia Fund**  
(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 2021

### 6 Financial derivatives at fair value

Financial derivatives contracts comprise of foreign currency contracts for the sale and purchase of foreign currencies and futures. The contract or underlying principal amounts of these financial derivatives and their corresponding gross positive or negative fair values at the financial year end date are analysed below.

		2021	
	Contract or underlying principal amount	Positive fair value	Negative fair value
	\$	\$	\$
Futures	11,043,156	-	35,812
Foreign currency contracts	5,853,749	5,078	4,807
		<u>5,078</u>	<u>40,619</u>

There were no outstanding financial derivatives as at 31 December 2020.

### 7 Units in issue

During the financial years ended 31 December 2021 and 2020, the numbers of units issued, redeemed and outstanding were as follows:

	2021	2020
Units at the beginning of the financial year	15,419,232	17,249,772
Units created	11,403,721	368,303
Units cancelled	(6,835,442)	(2,198,843)
Units at the end of the financial year*	<u>19,987,511</u>	<u>15,419,232</u>
 *Included above are units denominated in USD	 323,547	 216,226
	\$	\$
Net assets attributable to unitholders	59,042,031	41,353,433
Net assets value per unit	2.953	2.681

## United Asia Fund

(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 2021

#### 7 Units in issue (continued)

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

	2021 \$	2020 \$
Net assets attributable to unitholders per financial statements per unit	2.953	2.681
Effect of under provision of tax	0.005	0.004
Effect of valuation adjustments on futures	0.002	-
Net assets attributable to unitholders for issuing/redeeming per unit	<u>2.960</u>	<u>2.685</u>

#### 8 Financial risk management

The Fund's activities expose it to a variety of market risk (including foreign exchange risk, price risk and interest rate risk), liquidity risk and credit risk. The Fund's overall risk management programme seeks to minimise potential adverse effects on the Fund's financial performance. The Fund 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 Fund at any time as part of the overall financial risk management to reduce the Fund's risk exposures.

The Fund's assets principally consist of financial instruments such as equity investments and cash. They are held in accordance with the published investment policies of the Fund. The allocation of assets between the various types of investments is determined by the Manager to achieve its investment objectives.

## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

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

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

Market risk is the risk of loss arising from uncertainty concerning movements in market prices and rates, including observable variables such as interest rates, credit spreads, exchange rates, and others that may be only indirectly observable such as volatilities and correlations. Market risk includes such factors as changes in economic environment, consumption pattern and investor's expectation etc. which may have significant impact on the value of the investments. The Fund's 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 Fund. Guidelines are set to reduce the Fund's risk exposures to market volatility such as diversifying the portfolio by investing across various geographies and industries, alternatively, the Fund may be hedged using derivative strategies.

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

The Fund has 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 Fund.

**United Asia Fund**  
(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 2021

**8 Financial risk management** (continued)

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

*(i) Foreign exchange risk (continued)*

The tables below summarise the Fund's exposure to foreign currencies at the end of the financial year.

As at 31 December 2021

	SGD	HKD	INR	KRW	TWD	RMB	Others	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Assets</b>								
Portfolio of investments	2,620,068	13,754,549	10,208,048	5,798,877	13,785,008	4,737,531	6,046,072	56,950,153
Sales awaiting settlement	-	2,875,062	-	-	125,969	-	-	3,001,031
Receivables	67,854	-	26,414	1,133	3,892	-	15,029	114,322
Cash and bank balances	690,281	299	31,975	191	1,798,444	-	43,735	2,564,925
Margin accounts	-	1,355,670	-	-	-	-	212,600	1,568,270
<b>Total Assets</b>	<u>3,378,203</u>	<u>17,985,580</u>	<u>10,266,437</u>	<u>5,800,201</u>	<u>15,713,313</u>	<u>4,737,531</u>	<u>6,317,436</u>	<u>64,198,701</u>
<b>Liabilities</b>								
Purchases awaiting settlement	-	2,842,834	-	-	1,798,443	-	-	4,641,277
Payables	370,813	-	5,270	251	822	-	-	377,156
Financial derivatives at fair value (excluding foreign currency contracts)	-	35,812	-	-	-	-	-	35,812
<b>Total Liabilities</b>	<u>370,813</u>	<u>2,878,646</u>	<u>5,270</u>	<u>251</u>	<u>1,799,265</u>	<u>-</u>	<u>-</u>	<u>5,054,245</u>
<b>Net Assets</b>	3,007,390	15,106,934	10,261,167	5,799,950	13,914,048	4,737,531	6,317,436	
Foreign currency contracts (notional value)	158,468	(32,282)	-	-	(126,186)	-	-	
<b>Net currency exposure</b>	<u>3,165,858</u>	<u>15,074,652</u>	<u>10,261,167</u>	<u>5,799,950</u>	<u>13,787,862</u>	<u>4,737,531</u>	<u>6,317,436</u>	

**United Asia Fund**  
(Constituted under a Trust Deed in the Republic of Singapore)

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

**8 Financial risk management** (continued)

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

*(i) Foreign exchange risk (continued)*

As at 31 December 2020

	SGD	HKD	INR	KRW	TWD	RMB	Others	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Assets</b>								
Portfolio of investments	393,128	6,562,896	4,881,928	4,262,600	9,706,345	5,890,643	9,141,053	40,838,593
Receivables	50,478	8,556	-	3,486	4,824	-	367	67,711
Cash and bank balances	421,612	287	19,687	205	1	-	8,069	449,861
Margin accounts	-	139,706	-	-	-	-	132,165	271,871
<b>Total Assets</b>	<u>865,218</u>	<u>6,711,445</u>	<u>4,901,615</u>	<u>4,266,291</u>	<u>9,711,170</u>	<u>5,890,643</u>	<u>9,281,654</u>	<u>41,628,036</u>
<b>Liabilities</b>								
Payables	217,173	-	-	767	1,015	-	-	218,955
<b>Total Liabilities</b>	<u>217,173</u>	<u>-</u>	<u>-</u>	<u>767</u>	<u>1,015</u>	<u>-</u>	<u>-</u>	<u>218,955</u>
<b>Net currency exposure</b>	<u>648,045</u>	<u>6,711,445</u>	<u>4,901,615</u>	<u>4,265,524</u>	<u>9,710,155</u>	<u>5,890,643</u>	<u>9,281,654</u>	

Investments, which is the significant item in the Statement of Financial Position, is exposed to foreign exchange risk and other price risk. Other price risk sensitivity analysis includes the impact of foreign exchange risk on non-monetary investments. The 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.

*(ii) Price risk*

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

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

### 8 Financial risk management (continued)

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

##### (ii) Price risk (continued)

The table below summarises the impact of increases/decreases from the Fund's investments in equities on the Fund's net assets attributable to unitholders at 31 December 2021 and 2020. The analysis is based on the assumption that the index components within the benchmark increased/decreased by a reasonable possible shift, with all other variables held constant and that the prices of the Fund's investments moved according to the historical correlation with the index.

Benchmark component	Volatility %	2021	Volatility %	2020
		Net impact to net assets attributable to unitholders \$		Net impact to net assets attributable to unitholders \$
MSCI AC Asia ex Japan	20	10,019,904	20	8,033,578

##### (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 Fund's portfolio investments accordingly. However, the effects of changes in interest rates in the Fund's 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 Fund's financial assets and liabilities are largely non-interest bearing.

Hence, no sensitivity analysis has been presented separately.



## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

### 8 Financial risk management (continued)

#### (b) Liquidity risk

The Fund is exposed to daily cash redemptions and disbursements for the settlements of purchases. The Manager therefore ensures that the Fund maintains sufficient cash and bank balances and that it is 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 Fund's investments in quoted securities are considered to be readily realisable as they are quoted on established regional stock exchanges.

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.

The tables below analyse the Fund's 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.

	Less than 3 months \$	3 months to 1 year \$	Over 1 year \$
<b>As at 31 December 2021</b>			
Purchases awaiting settlement	4,641,277	-	-
Payables	377,156	-	-
Financial derivatives at fair value			
- Futures	35,812	-	-
- Foreign currency contracts	4,807	-	-
	Less than 3 months \$	3 months to 1 year \$	Over 1 year \$
<b>As at 31 December 2020</b>			
Payables	218,955	-	-

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

### 8 Financial risk management (continued)

#### (b) Liquidity risk (continued)

The table below analyses the Fund's derivatives financial instruments in a loss position that will be settled on a gross basis into relevant maturity groups based on the remaining period at the Statement of Financial Position date to the contractual maturity date.

	Less than 3 months \$	3 months to 1 year \$	Over 1 year \$
<b>As at 31 December 2021</b>			
Financial derivatives at fair value			
- Futures			
- inflow	11,043,156	-	-
- outflow	(11,078,968)	-	-
- Foreign currency contracts			
- inflow	2,847,641	-	-
- outflow	(2,852,448)	-	-

#### (c) Credit risk

The Fund takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The Fund's 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.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

### 8 Financial risk management (continued)

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

The table below summarises the credit rating of banks and custodians in which the Fund's assets are held as at 31 December 2021 and 2020.

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

	<b>Credit rating as at 31 December 2021</b>	Credit rating as at 31 December 2020
<b>Bank and custodian</b>		
State Street Bank and Trust Company	<b>aa-</b>	aa-
<b>Margin accounts</b>		
StoneX Financial Pte. Ltd.	<b>non-rated</b>	non-rated
<b>Counterparty of foreign currency contracts</b>		
State Street Bank and Trust Company	<b>aa-</b>	n/a*
<b>Counterparty of futures</b>		
StoneX Financial Pte. Ltd.	<b>non-rated</b>	n/a*

\* The Fund has no exposure to the counterparties as at 31 December 2020.

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 Statement of Financial Position.

For purposes of impairment assessment, the Fund's 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.

## **United Asia Fund**

(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 2021

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

##### **(d) Capital management**

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

##### **(e) Fair value estimation**

The Fund classifies 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).

**United Asia Fund**  
(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 2021

**8 Financial risk management** (continued)

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

The following tables analyse within the fair value hierarchy, the Fund's financial assets and liabilities (by class) measured at fair value at 31 December 2021 and 2020:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>As at 31 December 2021</b>				
<b>Assets</b>				
Portfolio of investments				
- Quoted equities	56,950,153	-	-	56,950,153
Financial derivatives at fair value	-	5,078	-	5,078
<b>Total</b>	<b>56,950,153</b>	<b>5,078</b>	<b>-</b>	<b>56,955,231</b>
<b>Liabilities</b>				
Financial derivatives at fair value	35,812	4,807	-	40,619
<b>Total</b>	<b>35,812</b>	<b>4,807</b>	<b>-</b>	<b>40,619</b>
<b>As at 31 December 2020</b>				
<b>Assets</b>				
Portfolio of investments				
- Quoted equities	40,838,593	-	-	40,838,593
<b>Total</b>	<b>40,838,593</b>	<b>-</b>	<b>-</b>	<b>40,838,593</b>

Investments whose values are based on quoted market prices in active markets, and therefore classified within Level 1, comprise of listed equities and exchange traded derivatives. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include over-the-counter derivatives.

Except for cash and bank balances and margin accounts which are classified as Level 1, the Fund's assets and liabilities not measured at fair value at 31 December 2021 and 2020 have been classified as Level 2. The carrying amounts of these assets and liabilities approximate their fair values as at the financial year end date.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

### 8 Financial risk management (continued)

#### (f) Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The gross and net positions of financial assets and liabilities that have been offset in the Statement of Financial Position are disclosed in the first three columns of the tables below.

Financial assets	Effects of offsetting on the Statement of Financial Position			Related amounts not offset		
	Gross amounts of financial assets	Gross amounts set off in the Statement of Financial Position	Net amount of financial assets presented in the Statement of Financial Position	Financial instruments	Collateral pledged/received	Net amount
	\$	\$	\$	\$	\$	\$
<b>31 December 2021</b>						
Derivative financial instruments	5,078	-	5,078	(4,807)	-	271
<b>Total</b>	<b>5,078</b>	<b>-</b>	<b>5,078</b>	<b>(4,807)</b>	<b>-</b>	<b>271</b>
<b>31 December 2020</b>						
Derivative financial instruments	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**United Asia Fund**  
(Constituted under a Trust Deed in the Republic of Singapore)

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

**8 Financial risk management** (continued)

**(f) Offsetting financial assets and financial liabilities** (continued)

Financial liabilities	Effects of offsetting on the Statement of Financial Position			Related amounts not offset		
	Gross amounts of financial liabilities	Gross amounts set off in the Statement of Financial Position	Net amount of financial liabilities presented in the Statement of Financial Position	Financial instruments	Collateral pledged/received	Net amount
	\$	\$	\$	\$	\$	\$
<b>31 December 2021</b>						
Derivative financial instruments	4,807	-	4,807	(4,807)	-	-
<b>Total</b>	<b>4,807</b>	<b>-</b>	<b>4,807</b>	<b>(4,807)</b>	<b>-</b>	<b>-</b>
<b>31 December 2020</b>						
Derivative financial instruments	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**9 Related party transactions**

(a) The Manager and the Trustee of the Fund 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. 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 Fund shown in the Statement 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.

## United Asia Fund

(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 2021

#### 9 Related party transactions (continued)

(b) As at the end of the financial year, the Fund maintained the following accounts with the related parties:

	2021 \$	2020 \$
<b>State Street Bank and Trust Company, Singapore Branch</b>		
Cash and bank balances	2,564,925	449,861

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

	2021 \$	2020 \$
<b>State Street Bank and Trust Company, Singapore Branch</b>		
Interest income	-	160
<b>United Overseas Bank Limited</b>		
Bank charges	9,451	8,286
Interest expense	5	-

(d) UOB Kay Hian Pte Ltd is an affiliated company of United Overseas Bank Limited.

During the financial year, the Fund has brokerage fee paid or payable to UOB Kay Hian Pte Ltd as follows:

	2021 \$	2020 \$
Brokerage charges	3,371	8,799



**United Asia Fund**  
(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 2021

**10 Financial ratios**

	<b>2021</b>	2020
	<b>\$</b>	<b>\$</b>
Total operating expenses	<b>951,510</b>	640,879
Average daily net assets value	<b><u>56,628,194</u></b>	<u>36,695,411</u>
Expense ratio <sup>1</sup>	<b><u>1.68%</u></b>	<u>1.75%</u>
Lower of total value of purchases or sales	<b>121,068,112</b>	81,034,016
Average daily net assets value	<b><u>56,628,194</u></b>	<u>36,695,411</u>
Turnover ratio <sup>2</sup>	<b><u>213.79%</u></b>	<u>220.83%</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 Fund's expense ratio at financial year end was based on total operating expenses divided by the average net assets value respectively for the financial year. The total operating expenses do not include (where applicable) brokerage and other transactions costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The 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 asset value.

## **United Asia Fund**

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

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