

新加坡大華亞太基礎建設基金 年度財務報告

(中文簡譯本)

2022 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

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。
本基金財務報告簡譯本僅供投資人參考用。

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新加坡大華亞太基礎建設基金財務報告

【新加坡大華亞太基礎建設基金財務報告】 會計師查核報告

新加坡大華亞太基礎建設基金（以下簡稱『本基金』）2022年12月31日之資產負債表及投資組合明細表，暨2022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2022年12月31日之資產負債表及投資組合明細表，暨2022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
2023年3月24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

新加坡大華亞太基礎建設基金財務報告

總投資報酬表 2022年1月1日至2022年12月31日

	2022 星幣\$	2021 星幣\$
收入		
股利	141,193	191,513
利息	491	-
其他收入	-	4
	141,684	191,517
減項：費用		
管理費	70,859	96,160
受託公司費	5,000	5,004
查核費	17,402	17,393
登錄費	14,969	15,042
評價費	5,905	8,013
保管費	15,288	18,712
交易成本	46,448	58,670
利息費用	158	-
其他費用	54,755	24,736
	230,784	243,730
淨收益（損失）	(89,100)	(52,213)
淨投資總收益（損失）		
淨投資收益(損失)	(1,031,904)	378,704
衍生性金融商品收益（損失）	(176,286)	(37,384)
兌換收益(損失)	2,323	(6,694)
	(1,205,867)	334,626
稅前總投資報酬（損失）	(1,294,967)	282,413
減項：所得稅	(18,272)	(16,036)
減項：資本利得稅	1,743	(5,145)
總投資報酬（損失）	(1,311,496)	261,232

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新加坡大華亞太基礎建設基金財務報告

資產負債表 2022年12月31日

	2022 星幣\$	2021 星幣\$
資產		
投資組合部位	4,258,860	5,762,590
待交割銷售部位	-	453,796
應收帳款	9,494	22,160
現金及銀行存款	69,276	368,038
券商保證金	31,299	235,687
衍生性金融商品公平價值	-	801
總資產	4,368,929	6,843,072
負債		
待交割買進部位	-	766,436
銀行透支	-	151,077
應付帳款	44,352	76,153
衍生性金融商品公平價值	-	4,702
總負債	44,352	998,368
權益		
基金單位持有人資產淨值	4,324,577	5,844,704

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United Asia Pacific Infrastructure Fund

Annual Report

for the financial year ended
31 December 2022



Right By You

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

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 Pacific Infrastructure 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 17 October 2006 Ann Comp Ret
United Asia Pacific Infrastructure Fund	5.87	-4.61	-23.00	-7.35	-3.70	-0.61	-1.50
Benchmark	1.48	2.98	6.00	6.00	6.00	6.00	6.00

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: The performance of the Fund will be measured against an absolute return benchmark of 6% per annum.

For the 12 months ended 31 December 2022 the net asset value of the Fund **declined 23.00%** compared with a 6.00% increase in the absolute return benchmark in Singapore Dollar terms.

Key contributors to performance included **Bilibili Inc - CLASS Z (China)**, **Shenzhen Yinghe Technology Co Ltd (China)** and **AAC Technologies Holding Inc (Hong Kong)**.

Key detractors included **Nomura Research Institute Ltd (Japan)**, **Visera Technologies (Taiwan)** and **Silergy Corp (Taiwan)**.

As at end 31 December 2022, the Fund had the following regional asset allocation: **Japan** (34.93%), **China** (28.45%), **Taiwan** (8.96%), **Singapore** (7.54%), **South Korea** (6.24%), **Malaysia** (4.30%), **India** (4.07%), and others (3.99%) and the remainder in cash (1.52%).

Economic and Market Review

In the twelve-month period under review ended 31 December 2022, **Asia** markets were volatile and extended its decline to end the year in the red. In February, **Asia** markets tumbled alongside a global selloff as escalating **Russia/Ukraine** tensions added to existing concerns over US Fed's rate lift off in March. UST bond yields spiked as investors grappled with the US Fed's hawkish signaling which led to parts of the **US** yield curve inverting.

Markets took another leg down in June and the month after witnessed a relief rally following market interpretation of US Fed's dovish interest rate hike outlook. Investors also took comfort from **China's** PBoC monetary easing as well as the State Council's pledge for further fiscal policy support to rejuvenate growth. However, the rally was short-lived and global equities stumbled in August after the US Fed's hawkishness at the Jackson Hole symposium dashed market expectations of a pivot anytime soon. The US Fed delivered its third straight 75 bps hike in September and reiterated its hawkishness. USD strength reigned amid geopolitical tensions and renewed fears of a global recession.

A) Fund Performance (continued)

Despite this, ASEAN markets was a relative safe haven and continued to outperform though rotation of leaders led to a divergence in performance. In the first half of the year, strength in ASEAN partly offset **China's** renewed COVID woes. However, market leadership shifted away from ASEAN to **North Asia** in the final quarter of the year as investors cheered news of COVID policy pivot and reopening of borders by **China** and **Hong Kong**. The positive spillover effect benefitted other North Asian countries notably **Taiwan**.

Outlook and Fund Strategy

Notwithstanding a backdrop of slowing global growth and monetary policy tightening, **Asia** looks better placed in the near term given its domestic demand resilience. We turn more constructive on **North Asia** on back of a slower but still modest earnings outlook largely led by **China**. In ASEAN, the ongoing reopening impulse in the region should drive a greater uplift in services sector to partly cushion the slowdown in trade exports. This underscores our upgrade on **North Asia** as we moderate our **South Asia** tilt.

We maintain our positive stance on **China**. This is underpinned by the long-term demand for high tech infrastructure buildup such as the continued growth of the Electric Vehicle ecosystem, aggressive rollout of high speed 5G/6G infrastructure as well as rapid growth in the alternative energy segment (solar, wind and hydrogen). The risk/reward has turned more attractive in recent months as policy has turned accommodative and regulatory concerns eased, with upside from a faster-than-expected reopening.

We are also positive on **Taiwan**, especially in areas of the tech sectors (such as the semiconductor industry) that benefit from a rollout in the EV and green energy infrastructure in **China**, and indeed in the rest of the world. **Taiwan's** relative valuation is compelling whilst growth drag from global semis/hardware downcycle appears largely discounted by the market. In contrast, we are not so keen on Korean corporates at this point as they appear to be faring worse than their other Asian peers as corporates' earnings continue to deteriorate in the near term.

We are less positive on **India** mainly on extended valuations despite **India's** continued investment in improving the physical infrastructure of the country (such as through highways, airports, power stations etc.) in the long term. **India** is now the most expensive emerging market in the world by a big margin and is also currently trading at the highest valuations relative to its own history. This leaves very little margin of error for investors. In other words, the risk-reward profile for investing in **India** is not very attractive at this point in time.

Within ASEAN, **Singapore** and **Indonesia** are our preferred markets. **Singapore** companies should benefit from the building up of green infrastructure over the long term. This would not just benefit companies directly involved in these projects but also property companies and banks who finance these projects.

Indonesia remains a big beneficiary of huge infrastructure build in the long run. With the economy growing fast, the country would need more road, rails (including the high-speed rails projects announced in recent years) and other green initiatives (such as the Electric Vehicle manufacturing hub which it is building). In similar fashion, we see more infrastructure needs for other ASEAN countries such as the **Philippines**, **Thailand** and **Malaysia** as well.

A) Fund Performance (continued)

Japan has been a very volatile market in 2022 and we expect the market to remain volatile in the near future as the Bank of Japan wavers between the need to raise interest rates to fight inflation and the fiscal burdens that higher interest rate brings, given that **Japan** has the highest government debt to GDP ratio amongst the world's major economies. We maintain our *underweight* position in **Japan** and are mostly positioned in technology companies that are key enablers to the green infrastructure build up around the world.

In general, we favour companies which benefit from long term infrastructure demand opportunities. Key risks to our cautiously optimistic positioning include a slower-than-expected rebound in **China's** economy, extended above-trend inflation in Western economies and worsening geopolitical rivalry between **US/China** as these may create uncertainties which may in turn cause delays in investments in infrastructure projects in the region and in **China** specifically. A drastic global growth slowdown also represents downside risks to our view.

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

i) Country

	Fair Value (S\$)	% of NAV
China	1,230,223	28.45
Hong Kong	80,868	1.87
India	176,086	4.07
Indonesia	91,569	2.12
Japan	1,510,412	34.93
Malaysia	186,226	4.30
Singapore	325,988	7.54
South Korea	269,972	6.24
Taiwan	387,516	8.96
Portfolio of investments	4,258,860	98.48
Other net assets/(liabilities)	65,717	1.52
Total	4,324,577	100.00

ii) Industry

	Fair Value (S\$)	% of NAV
Communication Services	725,106	16.77
Consumer Discretionary	137,637	3.18
Consumer Staples	84,734	1.96
Energy	177,105	4.10
Financials	113,049	2.61
Industrials	897,863	20.76
Information Technology	1,068,552	24.71
Materials	432,049	9.99
Real Estate	205,758	4.76
Utilities	417,007	9.64
Portfolio of investments	4,258,860	98.48
Other net assets/(liabilities)	65,717	1.52
Total	4,324,577	100.00

United Asia Pacific Infrastructure Fund
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B) Investments at fair value and as a percentage of net asset value (“NAV”) as at 31 December 2022 under review classified by (continued)

iii) Asset Class

	Fair Value (S\$)	% of NAV
Quoted equities	4,258,860	98.48
Other net assets/(liabilities)	65,717	1.52
Total	<u>4,324,577</u>	<u>100.00</u>

iv) Credit rating of quoted bonds

N/A

C) Top Ten Holdings

10 largest holdings as at 31 December 2022

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
BILIBILI INC - CLASS Z	158,572	3.67
JOINTO ENERGY INVESTMENT CO LTD	133,803	3.09
TOWNGAS SMART ENERGY CO LTD	127,313	2.94
SHENZHEN YINGHE TECHNOLOGY CO LTD	116,932	2.70
W-SCOPE CHUNGJU PLANT CO LTD	114,312	2.64
POWERCHIP SEMICONDUCTOR MANUFACTURING CORP	113,966	2.63
SUMITOMO MITSUI FINANCIAL GROUP	113,049	2.61
NINTENDO CO LTD	112,464	2.60
SHENZHEN EVERWIN PRECISION TECHNOLOGY CO LTD	98,250	2.27
YANGTZE OPTICAL FIBRE AND CABLE CO - H	91,960	2.13

United Asia Pacific Infrastructure Fund
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C) Top Ten Holdings (continued)

10 largest holdings as at 31 December 2021

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
CHIPBOND TECHNOLOGY CORP	175,508	3.00
TENCENT HOLDINGS LTD	173,779	2.97
REALTEK SEMICONDUCTOR CORP	169,573	2.90
TECO ELECTRIC AND MACHINERY CO LTD	157,308	2.69
KAKAO CORP	147,106	2.52
INDIAN OIL CORP LTD	146,959	2.51
NINTENDO CO LTD	125,619	2.15
DAIKIN INDUSTRIES LTD	122,177	2.09
ITOCHU CORP	119,440	2.04
SONY GROUP CORP	118,624	2.03

D) Exposure to derivatives

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

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

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

N/A

- ii) There was a net realised loss of SGD 176,286 on derivative contracts during the financial year ended 31 December 2022.

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

N/A

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

N/A

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

N/A

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

Total amount of redemptions	SGD	301,183
Total amount of subscriptions	SGD	92,552

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

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")¹ should be disclosed as well

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

N/A

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

N/A

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”)¹ should be disclosed as well (continued)

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

N/A

¹ *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

REPORT OF THE TRUSTEE

The Trustee is under a duty to take into custody and hold the assets of United Asia Pacific Infrastructure 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 15 to 46, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

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

Authorised signatory
24 March 2023

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

STATEMENT BY THE MANAGER

In the opinion of UOB Asset Management Ltd, the accompanying financial statements set out on pages 15 to 46, 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 Pacific Infrastructure Fund (the "Fund") as at 31 December 2022, and the financial performance and movements of unitholders' funds for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the 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
24 March 2023

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF UNITED ASIA PACIFIC INFRASTRUCTURE FUND

Our Opinion

In our opinion, the accompanying financial statements of United Asia Pacific Infrastructure 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 2022, 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 2022;
- the Statement of Financial Position as at 31 December 2022;
- the Statement of Movements of Unitholders' Funds for the financial year ended 31 December 2022;
- the Statement of Portfolio as at 31 December 2022; and
- the Notes to the Financial Statements, including a summary of significant accounting policies.

Basis for Opinion

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

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

Independence

We are independent of the 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 PACIFIC INFRASTRUCTURE 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 PACIFIC INFRASTRUCTURE 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, 24 March 2023

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

STATEMENT OF TOTAL RETURN

For the financial year ended 31 December 2022

	Note	2022 \$	2021 \$
Income			
Dividends		141,193	191,513
Interest		491	-
Other income		-	4
Total		<u>141,684</u>	<u>191,517</u>
Less: Expenses			
Management fee	9	70,859	96,160
Trustee fee	9	5,000	5,004
Audit fee		17,402	17,393
Registrar fee	9	14,969	15,042
Valuation fee	9	5,905	8,013
Custody fee	9	15,288	18,712
Transaction costs		46,448	58,670
Interest expenses		158	-
Other expenses		54,755	24,736
Total		<u>230,784</u>	<u>243,730</u>
Net income/(losses)		<u>(89,100)</u>	<u>(52,213)</u>
Net gains/(losses) on value of investments and financial derivatives			
Net gains/(losses) on investments		(1,031,904)	378,704
Net gains/(losses) on financial derivatives		(176,286)	(37,384)
Net foreign exchange gains/(losses)		2,323	(6,694)
		<u>(1,205,867)</u>	<u>334,626</u>
Total return/(deficit) for the financial year before income tax		<u>(1,294,967)</u>	<u>282,413</u>
Less: Income tax	3	(18,272)	(16,036)
Less: Capital gains tax refund/(expense)	3	1,743	(5,145)
Total return/(deficit) for the financial year		<u>(1,311,496)</u>	<u>261,232</u>

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

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Note	2022 \$	2021 \$
Assets			
Portfolio of investments		4,258,860	5,762,590
Sales awaiting settlement		-	453,796
Receivables	4	9,494	22,160
Cash and bank balances		69,276	368,038
Margin accounts		31,299	235,687
Financial derivatives at fair value	6	-	801
Total assets		<u>4,368,929</u>	<u>6,843,072</u>
Liabilities			
Purchases awaiting settlement		-	766,436
Bank overdrafts		-	151,077
Payables	5	44,352	76,153
Financial derivatives at fair value	6	-	4,702
Total liabilities		<u>44,352</u>	<u>998,368</u>
Equity			
Net assets attributable to unitholders	7	<u>4,324,577</u>	<u>5,844,704</u>

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

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

STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS

For the financial year ended 31 December 2022

	Note	2022 \$	2021 \$
Net assets attributable to unitholders at the beginning of the financial year		5,844,704	6,506,607
Operations			
Change in net assets attributable to unitholders resulting from operations		(1,311,496)	261,232
Unitholders' contributions/(withdrawals)			
Creation of units		92,552	214,638
Cancellation of units		(301,183)	(1,137,773)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		(208,631)	(923,135)
Total increase/(decrease) in net assets attributable to unitholders		(1,520,127)	(661,903)
Net assets attributable to unitholders at the end of the financial year	7	4,324,577	5,844,704

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

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

STATEMENT OF PORTFOLIO

As at 31 December 2022

	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Geography - Primary			
Quoted equities			
CHINA			
AAC TECHNOLOGIES HOLDINGS INC	20,000	61,312	1.42
BAIDU INC - CLASS A	2,650	50,865	1.18
BILIBILI INC - CLASS Z	4,940	158,572	3.67
CHINESE UNIVERSE PUBLISHING AND MEDIA GROUP CO LTD	24,400	45,051	1.04
DONGFANG ELECTRIC CORP LTD	11,700	47,448	1.10
FLAT GLASS GROUP CO LTD	6,400	41,130	0.95
GANFENG LITHIUM CROUP CO LTD - H	4,200	42,077	0.97
GEM CO LTD	30,600	43,864	1.02
JOINTO ENERGY INVESTMENT CO LTD	132,100	133,803	3.09
NETEASE INC	1,900	37,384	0.87
SHANGHAI PUTAILAI NEW ENERGY TECHNOLOGY CO LTD	4,100	41,046	0.95
SHENZHEN EVERWIN PRECISION TECHNOLOGY CO LTD	49,298	98,250	2.27
SHENZHEN YINGHE TECHNOLOGY CO LTD	34,300	116,932	2.70
TOWNGAS SMART ENERGY CO LTD	189,000	127,313	2.94
YANGTZE OPTICAL FIBRE AND CABLE CO - H	38,500	91,960	2.13
ZHUZHOU CRRC TIMES ELECTRIC CO LTD	6,900	45,946	1.06
ZTO EXPRESS CAYMAN INC	1,300	47,270	1.09
TOTAL CHINA		1,230,223	28.45
HONG KONG			
FORTUNE REIT	38,000	41,400	0.96

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

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

STATEMENT OF PORTFOLIO

As at 31 December 2022

	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Geography - Primary (continued)			
Quoted equities			
HONG KONG (continued)			
HKT TRUST AND HKT LTD SS STAPLED SECURITY	24,000	<u>39,468</u>	<u>0.91</u>
TOTAL HONG KONG		<u>80,868</u>	<u>1.87</u>
INDIA			
HINDALCO INDUSTRIES LTD	6,055	46,465	1.07
INDIAN OIL CORP LTD	37,438	46,431	1.07
OIL & NATURAL GAS CORP LTD	17,950	42,704	0.99
POWER GRID CORP OF INDIA LTD	11,686	<u>40,486</u>	<u>0.94</u>
TOTAL INDIA		<u>176,086</u>	<u>4.07</u>
INDONESIA			
ELANG MAHKOTA TEKNOLOGI TBK PT	1,031,900	91,569	2.12
JAPAN			
AGC INC	1,700	75,947	1.76
DAIKIN INDUSTRIES LTD	400	82,132	1.90
FUJIFILM HOLDINGS CORP	1,000	67,342	1.56
HAMAMATSU PHOTONICS KK	800	51,393	1.19
HITACHI LTD	1,300	88,417	2.04
ITOCHU CORP	1,900	80,073	1.85
MITSUI CHEMICALS INC	2,100	63,505	1.47
NINTENDO CO LTD	2,000	112,464	2.60
NIPPON TELEGRAPH & TELEPHONE CORP	1,800	68,832	1.59
NISSIN FOODS HOLDINGS CO LTD	800	84,734	1.96

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

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

STATEMENT OF PORTFOLIO

As at 31 December 2022

	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Geography - Primary (continued)			
Quoted equities			
JAPAN (continued)			
NOMURA RESEARCH INSTITUTE LTD	1,900	60,161	1.39
OBIC CO LTD	400	78,920	1.83
OSAKA GAS CO LTD	3,300	71,449	1.65
SHIMADZU CORP	1,800	68,521	1.58
SHIN-ETSU CHEMICAL CO LTD	500	82,462	1.91
SONY GROUP CORP	700	71,403	1.65
SUMITOMO MITSUI FINANCIAL GROUP	2,100	113,049	2.61
TOYOTA INDUSTRIES CORP	900	66,234	1.53
WEST JAPAN RAILWAY CO	1,200	69,881	1.62
YOKOGAWA ELECTRIC CORP	2,500	53,493	1.24
TOTAL JAPAN		1,510,412	34.93
MALAYSIA			
GREATECH TECHNOLOGY BHD	36,000	53,051	1.23
TIME DOTCOM BHD	30,300	45,205	1.04
YINSON HOLDINGS BHD	118,900	87,970	2.03
TOTAL MALAYSIA		186,226	4.30
SINGAPORE			
CAPITALAND CHINA TRUST	66,800	74,816	1.73
COMFORTDELGRO CORP LTD	34,300	42,189	0.98
KEPPEL CORP LTD	6,100	44,286	1.02
KEPPEL INFRASTRUCTURE TRUST	81,400	43,956	1.02
KEPPEL REIT	49,500	45,045	1.04

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

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

STATEMENT OF PORTFOLIO

As at 31 December 2022

	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Geography - Primary (continued)			
Quoted equities			
SINGAPORE (continued)			
NETLINK NBN TRUST	91,200	<u>75,696</u>	<u>1.75</u>
TOTAL SINGAPORE		<u>325,988</u>	<u>7.54</u>
SOUTH KOREA			
HYUNDAI ENGINEERING & CONSTRUCTION CO LTD PREFERENCE	16	933	0.02
LOTTE FINE CHEMICAL CO LTD	718	43,180	1.00
OCI CO LTD	346	29,653	0.69
SK INC	210	42,097	0.97
SSANGYONG C&E CO LTD	6,514	39,797	0.92
W-SCOPE CHUNGJU PLANT CO LTD	2,671	<u>114,312</u>	<u>2.64</u>
TOTAL SOUTH KOREA		<u>269,972</u>	<u>6.24</u>
TAIWAN			
ADVANTECH CO LTD	4,000	57,775	1.34
CHICONY ELECTRONICS CO LTD	12,000	45,190	1.04
HIGHWEALTH CONSTRUCTION CORP	25,303	44,497	1.03
KINSUS INTERCONNECT TECHNOLOGY CORP	9,000	41,040	0.95
NUVOTON TECHNOLOGY CORP	8,000	40,146	0.93
POWERCHIP SEMICONDUCTOR MANUFACTURING CORP	82,000	113,966	2.63

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

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

STATEMENT OF PORTFOLIO

As at 31 December 2022

	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Geography - Primary (continued)			
Quoted equities			
TAIWAN (continued)			
WISTRON CORP	35,000	<u>44,902</u>	<u>1.04</u>
TOTAL TAIWAN		<u>387,516</u>	<u>8.96</u>
Total Equities		<u>4,258,860</u>	<u>98.48</u>
Portfolio of investments		4,258,860	98.48
Other net assets/(liabilities)		<u>65,717</u>	<u>1.52</u>
Net assets attributable to unitholders		<u>4,324,577</u>	<u>100.00</u>

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

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

STATEMENT OF PORTFOLIO

As at 31 December 2022

	Percentage of total net assets attributable to unitholders at 31 December 2022 %	Percentage of total net assets attributable to unitholders at 31 December 2021 %
By Geography - Primary (Summary)		
Quoted equities		
China	28.45	18.69
Hong Kong	1.87	-
India	4.07	11.62
Indonesia	2.12	-
Japan	34.93	36.75
Malaysia	4.30	3.62
Philippines	-	3.79
Singapore	7.54	2.65
South Korea	6.24	4.54
Taiwan	8.96	16.94
Portfolio of investments	98.48	98.60
Other net assets/(liabilities)	1.52	1.40
Net assets attributable to unitholders	100.00	100.00

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

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

STATEMENT OF PORTFOLIO

As at 31 December 2022

	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %	Percentage of total net assets attributable to unitholders at 31 December 2021 %
By Industry - Secondary Quoted equities			
Communication Services	725,106	16.77	9.85
Consumer Discretionary	137,637	3.18	5.60
Consumer Staples	84,734	1.96	1.70
Energy	177,105	4.10	4.58
Financials	113,049	2.61	1.90
Health Care	-	-	1.75
Industrials	897,863	20.76	21.07
Information Technology	1,068,552	24.71	30.80
Materials	432,049	9.99	10.40
Real Estate	205,758	4.76	3.48
Utilities	417,007	9.64	7.47
Portfolio of investments	4,258,860	98.48	98.60
Other net assets/(liabilities)	65,717	1.52	1.40
Net assets attributable to unitholders	4,324,577	100.00	100.00

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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

1 General

United Asia Pacific Infrastructure 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 Trust Deed is governed by the laws of the Republic of Singapore.

The investment objective of the Fund is to achieve medium to long term capital growth by investing in securities (equities or equity-related securities) issued by companies which carry on infrastructure-related businesses in the Asia-Pacific region.

Subscriptions and redemptions of the units 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.

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 instruments at fair value, and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 “Reporting Framework for Investment Funds” (“RAP7”) issued by the Institute of Singapore Chartered Accountants.

(b) Recognition of income

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2 Significant accounting policies (continued)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2 Significant accounting policies (continued)

(e) Foreign currency translation (continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the 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. These also include bank overdrafts that form an integral part of the Fund's cash management. Bank overdrafts are shown in current liabilities in the Statement of Financial Position.

(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 2022

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 2022

3 Income tax

	2022	2021
	\$	\$
Singapore income tax (refund)/expense	(895)	1,327
Overseas income tax	<u>19,167</u>	<u>14,709</u>
Total income tax	<u>18,272</u>	<u>16,036</u>
Capital gains tax (refund)/expense	(1,743)	5,145

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 2022

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 2022, the Fund has uncertain taxes exposure with respect to gains on investment of which the tax asset/(liability) is estimated to be \$3,016 (2021: (\$3,848)). While this represents the Manager's best estimate, the estimated value could differ significantly from the amount ultimately receivable or payable.

4 Receivables

	2022 \$	2021 \$
Amounts receivable for creation of units	570	541
Dividends receivable	1,812	8,142
Tax receivables	3,016	-
Other receivables	<u>4,096</u>	<u>13,477</u>
	<u>9,494</u>	<u>22,160</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

5 Payables

	2022	2021
	\$	\$
Amounts payable for cancellation of units	-	7,184
Amount due to the Manager	17,509	24,716
Amount due to Trustee	1,261	1,261
Tax payables	276	4,873
Other creditors and accrued expenses	<u>25,306</u>	<u>38,119</u>
	<u>44,352</u>	<u>76,153</u>

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	1,068,656	-	3,502
Foreign currency contracts	774,840	<u>801</u>	<u>1,200</u>
		<u>801</u>	<u>4,702</u>

There were no outstanding financial derivatives as at 31 December 2022.

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7 Units in issue

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

	2022	2021
Units at the beginning of the financial year	6,403,712	7,401,893
Units created	120,420	229,804
Units cancelled	<u>(377,278)</u>	<u>(1,227,985)</u>
Units at the end of the financial year*	<u>6,146,854</u>	<u>6,403,712</u>
 *Included above are units denominated in USD	 715,110	 703,743
	\$	\$
Net assets attributable to unitholders	4,324,577	5,844,704
Net assets value per unit	0.703	0.912

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:

	2022	2021
	\$	\$
Net assets attributable to unitholders per financial statements per unit	0.703	0.912
Effect of valuation adjustments on futures	<u>-</u>	<u>0.001</u>
Net assets attributable to unitholders for issuing/redeeming per unit	<u>0.703</u>	<u>0.913</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.

NOTES TO THE FINANCIAL STATEMENTS

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8 Financial risk management (continued)

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.

(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.

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For the financial year ended 31 December 2022

8 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

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

As at 31 December 2022

	SGD	HKD	INR	TWD	JPY	RMB	Others	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Assets								
Portfolio of investments	325,988	743,566	176,086	387,516	1,510,412	567,524	547,768	4,258,860
Receivables	4,096	-	-	-	1,812	-	570	6,478
Cash and bank balances	42,282	46	4,201	15,379	-	-	7,368	69,276
Margin accounts	-	7,234	-	-	21,839	-	2,226	31,299
Total Assets	<u>372,366</u>	<u>750,846</u>	<u>180,287</u>	<u>402,895</u>	<u>1,534,063</u>	<u>567,524</u>	<u>557,932</u>	<u>4,365,913</u>
Liabilities								
Payables	44,076	-	-	-	276	-	-	44,352
Total Liabilities	<u>44,076</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>276</u>	<u>-</u>	<u>-</u>	<u>44,352</u>
Net currency exposure	<u>328,290</u>	<u>750,846</u>	<u>180,287</u>	<u>402,895</u>	<u>1,533,787</u>	<u>567,524</u>	<u>557,932</u>	

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

8 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

As at 31 December 2021

	SGD	HKD	INR	TWD	JPY	RMB	Others	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Assets								
Portfolio of investments	154,860	350,493	679,187	994,454	2,148,080	737,296	698,220	5,762,590
Sales awaiting settlement	-	391,549	-	-	-	-	62,247	453,796
Receivables	13,477	1,490	2,403	403	2,825	-	1,562	22,160
Cash and bank balances	-	47	3,873	353,731	-	-	10,387	368,038
Margin accounts	-	<u>125,677</u>	-	-	<u>29,858</u>	-	<u>80,152</u>	<u>235,687</u>
Total Assets	<u>168,337</u>	<u>869,256</u>	<u>685,463</u>	<u>1,348,588</u>	<u>2,180,763</u>	<u>737,296</u>	<u>852,568</u>	<u>6,842,271</u>
Liabilities								
Purchases awaiting settlement	-	169,033	-	448,378	-	-	149,025	766,436
Bank overdrafts	151,077	-	-	-	-	-	-	151,077
Payables	71,280	-	480	85	436	-	24	72,305
Financial derivatives at fair value (excluding foreign currency contracts)	-	<u>3,502</u>	-	-	-	-	-	<u>3,502</u>
Total Liabilities	<u>222,357</u>	<u>172,535</u>	<u>480</u>	<u>448,463</u>	<u>436</u>	-	<u>149,049</u>	<u>993,320</u>
Net Assets	(54,020)	696,721	684,983	900,125	2,180,327	737,296	703,519	
Foreign currency contracts (notional value)	<u>134,354</u>	<u>(222,892)</u>	-	-	-	-	<u>88,538</u>	
Net currency exposure	<u>80,334</u>	<u>473,829</u>	<u>684,983</u>	<u>900,125</u>	<u>2,180,327</u>	<u>737,296</u>	<u>792,057</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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

8 Financial risk management (continued)

(a) Market risk (continued)

(ii) Price risk

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.

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 2022 and 2021. 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	2022		2021	
	Volatility %	Net impact to net assets attributable to unitholders \$	Volatility %	Net impact to net assets attributable to unitholders \$
Absolute return of 6% per annum	6	255,532	6	345,755

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

8 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

Other than the cash and bank balances, margin accounts and bank overdrafts 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

8 Financial risk management (continued)

(b) Liquidity risk (continued)

The tables below analyse the 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 \$
As at 31 December 2022			
Payables	44,352	-	-
	Less than 3 months \$	3 months to 1 year \$	Over 1 year \$
As at 31 December 2021			
Purchases awaiting settlement	766,436	-	-
Bank overdrafts	151,077	-	-
Payables	72,305	-	-
Financial derivatives at fair value			
- Futures	3,502	-	-
- Foreign currency contracts	1,200	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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 \$
As at 31 December 2021			
Financial derivatives at fair value			
- Futures			
- inflow	1,068,656	-	-
- outflow	(1,072,158)	-	-
- Foreign currency contracts			
- inflow	320,243	-	-
- outflow	(321,443)	-	-

(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, bank overdrafts 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 2022

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 2022 and 2021.

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

	Credit rating as at 31 December 2022	Credit rating as at 31 December 2021
Bank and custodian		
State Street Bank and Trust Company	aa-	aa-
Margin accounts		
Morgan Stanley & Co. International Plc	a+	n/a*
StoneX Financial Pte. Ltd.	n/a*	non-rated
Counterparty of foreign currency contracts		
State Street Bank and Trust Company	n/a*	aa-
Counterparty of futures		
StoneX Financial Pte. Ltd.	n/a*	non-rated

* *The Fund has no exposure to the counterparties as at 31 December 2022 or 2021.*

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, margin accounts and bank overdrafts 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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).

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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 2022 and 2021:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
As at 31 December 2022				
Assets				
Portfolio of investments				
- Quoted equities	<u>4,258,860</u>	<u>-</u>	<u>-</u>	<u>4,258,860</u>
Total	<u>4,258,860</u>	<u>-</u>	<u>-</u>	<u>4,258,860</u>

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
As at 31 December 2021				
Assets				
Portfolio of investments				
- Quoted equities	5,762,590	-	-	5,762,590
Financial derivatives at fair value	<u>-</u>	<u>801</u>	<u>-</u>	<u>801</u>
Total	<u>5,762,590</u>	<u>801</u>	<u>-</u>	<u>5,763,391</u>
Liabilities				
Financial derivatives at fair value	<u>3,502</u>	<u>1,200</u>	<u>-</u>	<u>4,702</u>
Total	<u>3,502</u>	<u>1,200</u>	<u>-</u>	<u>4,702</u>

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

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NOTES TO THE FINANCIAL STATEMENTS

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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
	\$	\$	\$	\$	\$	\$
31 December 2022						
Derivative financial instruments	-	-	-	-	-	-
Total	-	-	-	-	-	-
31 December 2021						
Derivative financial instruments	801	-	801	(801)	-	-
Total	801	-	801	(801)	-	-

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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	Statement of Financial Position	Net amount of financial liabilities presented in the Statement of Financial Position	Financial instruments	Collateral pledged/received	Net amount
	\$	\$	\$	\$	\$	\$
31 December 2022						
Derivative financial instruments	-	-	-	-	-	-
Total	-	-	-	-	-	-
31 December 2021						
Derivative financial instruments	1,200	-	1,200	(801)	-	399
Total	1,200	-	1,200	(801)	-	399

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.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

9 Related party transactions (continued)

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

	2022	2021
	\$	\$
State Street Bank and Trust Company, Singapore Branch		
Cash and bank balances	69,276	368,038
Bank overdrafts	-	(151,077)

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

	2022	2021
	\$	\$
State Street Bank and Trust Company, Singapore Branch		
Interest income	89	-
United Overseas Bank Limited		
Bank charges	3,610	7,214

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

10 Financial ratios

	2022	2021
	\$	\$
Total operating expenses	184,178	185,060
Average daily net assets value	<u>4,713,687</u>	<u>6,405,195</u>
Expense ratio ¹	<u>3.91%</u>	<u>2.89%</u>
Lower of total value of purchases or sales	10,497,505	13,090,212
Average daily net assets value	<u>4,713,687</u>	<u>6,405,195</u>
Turnover ratio ²	<u>222.70%</u>	<u>204.37%</u>

¹ The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the 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.

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

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