

For the financial year ended 31 December 2023

ANNUAL REPORT LION-OCBC SECURITIES CHINA LEADERS ETF

Lion Global Investors Ltd

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DIRECTORY

Manager

Lion Global Investors Limited
65 Chulia Street #18-01
OCBC Centre
Singapore 049513

Directors of Lion Global Investors Limited

Mr Khor Hock Seng (Chairman)
Mr Teo Joo Wah (Chief Executive Officer)
Mr Ronnie Tan Yew Chye
Ms Chong Chuan Neo
Ms Goh Chin Yee

Trustee/Registrar

HSBC Institutional Trust Services (Singapore) Limited
10 Marina Boulevard,
Marina Bay Financial Centre, Tower 2,
#48-01
Singapore 018983

Custodian

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

Independent Auditor

PricewaterhouseCoopers LLP
7 Straits View, Marina One
East Tower, Level 12
Singapore 018936

PERFORMANCE OF THE FUND

For the financial year ended 31 December 2023

Past performance is not necessarily indicative of future performance. Cumulative returns for the Fund are calculated up to 31 December 2023 in SGD terms, based on single pricing, with dividends reinvested net of all charges payable upon reinvestment.

Time Period	Fund Returns (%) Lion-OCBC Securities China Leaders ETF	Benchmark/Index* Returns (%)
3 months	-8.1	-8.6
6 months	-8.9	-8.4
1 year	-11.5	-11.6
Since Inception** (2 August 2021)	-13.0	-12.4

Source: Morningstar/Lion Global Investors Ltd.

**Benchmark/Index: Hang Seng Stock Connect China 80 Index*

***Returns of more than 1 year are annualised.*

REVIEW

For the year ended 31 December 2023, the Fund returned -11.5% in SGD terms.

Macroeconomic and geopolitical events kept market uncertainty elevated throughout the year, including the banking crisis in March 2023, the threat of US federal government default in May 2023, and Israel's declaration of war against Hamas in October 2023. Nonetheless, economic resilience in the face of central bank tightening, progress in the global disinflation process, and enthusiasm around artificial intelligence supported risk assets over the period.

Receding inflationary pressures allowed major central banks to hit pause on their historic rate-hiking campaign in the latter half of 2023. The Federal Reserve delivered the last of four rate hikes in July 2023, holding rates steady at 5.25% to 5.50% thereafter. Reaffirming markets' dovish outlook, officials signaled the end of monetary tightening and lower borrowing costs ahead.

In China, amid waning economic momentum, key lending benchmarks were trimmed, and reserve requirement ratio for banks was lowered to boost lending and keep liquidity ample in the financial system. Authorities also rolled out consumption stimulus, relaxed home-buying restrictions, introduced market-friendly reforms, and accelerated the issuance of government bonds to shore up the recovery. Nevertheless, the scale and pace of implementation have had limited effectiveness in reviving consumer and business confidence, and the property sector continued to be the largest drag on the economy. At the Central Economic Work Conference, President Xi maintained a pro-growth stance, emphasizing better policy coordination, stronger fiscal support, and accommodative monetary policy.

In CNH terms, Energy (+40.0%) was the best performing sector, followed by Utilities (+10.3%). On the other hand, Consumer Discretionary (-25.5%) and Real Estate (-32.6%) were the worst performing sectors.

China Mobile (+36.0%), Xiaomi (+43.7%) and Li Auto (+75.6%) contributed positively to performance, while Meituan (-55.4%), Contemporary Amperex Technology (-24.9%) and China Tourism Group Duty Free (-61.0%) detracted.

STRATEGY AND OUTLOOK

The Fund continues to replicate as closely as possible, before expenses, the performance of the Hang Seng Stock Connect China 80 Index.

As of 19 January 2024.

DISCLOSURES ON THE FUND ¹*For the financial year ended 31 December 2023***1. DISTRIBUTION OF INVESTMENTS AS AT 31 DECEMBER 2023**

	Fair Value CNH	Percentage of total net assets attributable to unitholders %
a) <u>By Asset Class</u>		
Equities	398,625,583	100.0
Cash and other net liabilities	(103,639)	*
Net assets attributable to unitholders	398,521,944	100.0

b) By Credit Rating of Debt Securities

Not applicable

c) By Derivative Type

Total net realised losses from financial derivatives at the end of the financial year were CNH146,823.

* denotes amount less than 0.1%

¹ As required by Code on Collective Investment Schemes

2. TOP 10 HOLDINGS

As at 31 December 2023

	Fair Value CNH	Percentage of total net assets attributable to unitholders %
Tencent Holdings Limited	30,018,372	7.5
Kweichow Moutai Company Limited	26,918,696	6.8
Contemporary Amperex Technology Company Limited	12,921,213	3.2
China Construction Bank Corporation H Shares	12,629,367	3.2
Meituan	12,223,630	3.1
Ping An Insurance (Group) Company of China Limited	10,206,378	2.6
China Mobile Limited H Shares	10,003,945	2.5
China Merchants Bank Company Limited	9,534,137	2.4
Wuliangye Yibin Company Limited	7,542,925	1.9
Industrial and Commercial Bank of China H Shares	7,092,826	1.8

As at 31 December 2022

	Fair Value CNH	Percentage of total net assets attributable to unitholders %
Tencent Holdings Limited	36,709,501	8.7
Kweichow Moutai Company Limited	26,148,507	6.2
Meituan	19,428,476	4.6
Contemporary Amperex Technology Company Limited	14,169,415	3.4
China Construction Bank Corporation H Shares	12,675,662	3.0
China Merchants Bank Company Limited	12,368,494	2.9
Ping An Insurance (Group) Company of China Limited	11,604,770	2.8
Wuliangye Yibin Company Limited	9,403,650	2.2
China Mobile Limited	8,503,839	2.0
Ping An Insurance (Group) Company of China Limited H Shares	7,834,017	1.9

3. GLOBAL EXPOSURE

The global exposure relating to derivative instruments is calculated using the commitment approach by converting the derivative positions into equivalent positions in the underlying assets embedded in those derivatives.

The global exposure of the Fund to financial derivative instruments or embedded financial derivative instruments will not exceed 100% of the net asset value of the Fund at any time.

4. COLLATERAL

Nil

5. SECURITIES LENDING OR PURCHASE TRANSACTIONS

Nil

6. INVESTMENT IN OTHER UNIT TRUSTS, MUTUAL FUNDS AND COLLECTIVE INVESTMENT SCHEMES

Nil

7. BORROWINGS

Nil

8. SOFT DOLLAR COMMISSION RECEIVED BY THE MANAGERS

The soft dollar commissions from various brokers for the financial year were utilised on research and advisory services, economic and political analyses, portfolio analyses, market analyses, data and quotation analyses and computer hardware and software used for and in support of the investment process of fund managers. Goods and services received were for the benefit of the scheme and there was no churning of trades. These brokers also execute trades for other funds managed by the managers. The trades are conducted on best available terms and in accordance with best practices.

9. OTHER MATERIAL INFORMATION

There is no other material information that will adversely impact the valuation of the Fund.

10. SUPPLEMENTAL INFORMATION ON UNDERLYING SUB-FUNDS

Not applicable

REPORT OF THE TRUSTEE

For the financial year ended 31 December 2023

The Trustee is under a duty to take into custody and hold the assets of Lion-OCBC Securities China Leaders ETF (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 13 to 42, 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
HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED

Authorised signatory

27 March 2024

STATEMENT BY THE MANAGER

For the financial year ended 31 December 2023

In the opinion of Lion Global Investors Limited, the accompanying financial statements set out on pages 13 to 42, 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 the portfolio holdings of Lion-OCBC Securities China Leaders ETF (the "Fund") as at 31 December 2023, and the financial performance and movements in unitholders' funds for the financial year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Fund will be able to meet its financial obligations as and when they materialise.

For and on behalf of
LION GLOBAL INVESTORS LIMITED

TEO JOO WAH
CEO

27 March 2024

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF LION-OCBC SECURITIES CHINA LEADERS ETF

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

Our Opinion

In our opinion, the accompanying financial statements of Lion-OCBC Securities China Leaders ETF (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 ("RAP 7"), so as to present fairly, in all material respects, the financial position and portfolio holdings of the Fund as at 31 December 2023, 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 2023;
- the Statement of Financial Position as at 31 December 2023;
- the Statement of Movements of Unitholders' Funds for the financial year then ended;
- the Statement of Portfolio as at 31 December 2023; and
- the notes to the financial statements, including material accounting policy information.

Basis for Opinion

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF
LION-OCBC SECURITIES CHINA LEADERS ETF**

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

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Other Information

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

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

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

Responsibilities of the Manager for the Financial Statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of RAP 7 and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the 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.

**INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF
LION-OCBC SECURITIES CHINA LEADERS ETF**

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

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.
- 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.

**INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF
LION-OCBC SECURITIES CHINA LEADERS ETF**

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

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Lim Kheng Wah.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 27 March 2024

STATEMENT OF TOTAL RETURN*For the financial year ended 31 December 2023*

	Note	2023 CNH	2022 CNH
Income			
Dividends		15,371,755	13,943,966
Interest on cash and cash equivalents	10	640	618
		<u>15,372,395</u>	<u>13,944,584</u>
Less: Expenses			
Audit fee	11	98,704	83,090
Custodian fees	10	86,006	83,477
Management fee	10	1,933,792	1,765,282
Less: Management fee rebate	10	(112,627)	(260,000)
Professional fees		182,999	155,072
Registration fee	10	64,842	64,814
Trustee fee	10	85,946	78,457
Valuation and administration fees	10	85,946	78,457
Transaction costs		206,545	265,183
Miscellaneous expenses		436,065	386,115
		<u>3,068,218</u>	<u>2,699,947</u>
Net income		<u>12,304,177</u>	<u>11,244,637</u>
Net gains or losses on value of investments and financial derivatives			
Net losses on investments		(45,671,851)	(58,188,839)
Net (losses)/gains on foreign exchange spot contracts		(147,739)	30,062
Net gains/(losses) on foreign exchange forward contracts		916	(36,374)
Net foreign exchange losses		(280,975)	(685,577)
		<u>(46,099,649)</u>	<u>(58,880,728)</u>
Total deficit for the financial year before income tax		(33,795,472)	(47,636,091)
Less: Income tax	3	(1,473,119)	(1,344,323)
Total deficit for the financial year		<u>(35,268,591)</u>	<u>(48,980,414)</u>

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

STATEMENT OF FINANCIAL POSITION*As at 31 December 2023*

	Note	2023 CNH	2022 CNH
ASSETS			
Portfolio of investments		398,625,583	420,089,208
Receivables	5	744,933	519,453
Cash and cash equivalents	6	197,393	607,665
Total assets		399,567,909	421,216,326
LIABILITIES			
Bank overdraft	6	578,006	-
Payables	7	467,959	432,631
Total liabilities		1,045,965	432,631
EQUITY			
Net assets attributable to unitholders	8	398,521,944	420,783,695

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

STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS*For the financial year ended 31 December 2023*

	Note	2023 CNH	2022 CNH
Net assets attributable to unitholders at the beginning of financial year		420,783,695	397,378,989
Operations			
Change in net assets attributable to unitholders resulting from operations		(35,268,591)	(48,980,414)
Unitholders' contributions/(withdrawals)			
Creation of units		26,411,438	79,860,554
Cancellation of units		-	-
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		26,411,438	79,860,554
Distributions	4	(13,404,598)	(7,475,434)
Total (decrease)/increase in net assets attributable to unitholders		(22,261,751)	23,404,706
Net assets attributable to unitholders at the end of financial year	8	398,521,944	420,783,695

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

STATEMENT OF PORTFOLIO*As at 31 December 2023*

	Holdings at 31 December 2023	Fair value at 31 December 2023 CNH	Percentage of total net assets attributable to unitholders at 31 December 2023 %
By Industry (Primary)			
QUOTED EQUITIES			
FINANCIAL			
China Construction Bank Corporation H Shares	2,990,072	12,629,367	3.2
Ping An Insurance (Group) Company of China Limited	253,260	10,206,378	2.6
China Merchants Bank Company Limited	342,708	9,534,137	2.4
Industrial and Commercial Bank of China H Shares	2,044,132	7,092,826	1.8
Industrial Bank Company Limited	431,353	6,992,232	1.8
Bank of China Limited H Shares	2,317,208	6,272,321	1.6
Ping An Insurance (Group) Company of China Limited H Shares	185,739	5,964,026	1.5
Industrial and Commercial Bank of China	1,119,967	5,353,442	1.3
East Money Information Company Limited	372,496	5,229,844	1.3
Citic Securities Company Limited	253,317	5,160,067	1.3
Bank of Communications Company Limited	653,418	3,750,619	0.9
Agricultural Bank of China Limited	888,488	3,234,096	0.8
Shanghai Pudong Development Bank	450,687	2,983,548	0.7
Bank of Ningbo Company Limited	137,990	2,774,979	0.7
China Merchants Bank Company Limited H Shares	108,971	2,692,321	0.7
Agricultural Bank of China Limited H Shares	870,038	2,378,766	0.6
Postal Savings Bank of China Company Limited	598,828	2,345,117	0.6
Bank of China Limited	583,004	2,326,186	0.6

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

LION-OCBC SECURITIES CHINA LEADERS ETF

	Holdings at 31 December 2023	Fair value at 31 December 2023 CNH	Percentage of total net assets attributable to unitholders at 31 December 2023 %
By Industry (Primary) (continued)			
QUOTED EQUITIES (continued)			
FINANCIAL (continued)			
Ping An Bank Company Limited	240,965	2,262,661	0.6
China Pacific Insurance (Group) Company Limited	85,655	2,036,876	0.5
China Life Insurance Company Limited H Shares	206,328	1,896,643	0.5
China Everbright Bank Company Limited	629,921	1,826,771	0.5
China Life Insurance Company Limited	46,018	1,304,610	0.3
China Construction Bank Corporation	182,692	1,189,325	0.3
Bank of Communications Company Limited H Shares	238,107	1,053,290	0.3
CSC Financial Company Limited	44,484	1,052,491	0.3
China Pacific Insurance (Group) Company Limited H Shares	73,279	1,049,020	0.3
China Citic Bank Corporation Limited H Shares	265,840	888,618	0.2
Citic Securities Company Limited H Shares	53,324	772,072	0.2
People's Insurance Company (Group) of China Limited	237,380	517,490	0.1
China Citic Bank Corporation Limited	84,089	444,831	0.1
People's Insurance Company (Group) of China Limited H Shares	85,600	414,304	0.1
China Everbright Bank Company Limited H Shares	86,013	181,259	*
CSC Financial Company Limited H Shares	25,215	158,036	*
		<u>113,968,569</u>	<u>28.7</u>

* denotes amount less than 0.1%

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

	Holdings at 31 December 2023	Fair value at 31 December 2023 CNH	Percentage of total net assets attributable to unitholders at 31 December 2023 %
By Industry (Primary) (continued)			
QUOTED EQUITIES (continued)			
CONSUMER, NON-CYCLICAL			
Kweichow Moutai Company Limited	15,596	26,918,696	6.8
Wuliangye Yibin Company Limited	53,759	7,542,925	1.9
Jiangsu Hengrui Pharmaceuticals Company Limited	114,713	5,188,469	1.3
Wuxi Aptec Company Limited	70,108	5,095,286	1.3
Shenzhen Mindray Bio-Medical Electronics Company Limited	16,810	4,884,986	1.2
Inner Mongolia Yili Industrial Group Company Limited	167,722	4,486,563	1.1
Muyuan Foodstuff Company Limited	90,832	3,740,462	0.9
Luzhou Laojiao Company Limited	20,245	3,632,358	0.9
Shanxi Xinghuacun Fen Wine Factory Company Limited	11,829	2,729,305	0.7
Nongfu Spring Company Limited	55,716	2,284,992	0.6
Aier Eye Hospital Group Company Limited	144,036	2,278,650	0.6
Foshan Haitian Flavoring & Food Company Limited	53,691	2,037,573	0.5
Jiangsu Yanghe Brewery	16,353	1,797,195	0.5
Zhangzhou Pientzhuang Pharmaceutical Company Limited	7,320	1,771,367	0.4
Yihai Kerry Arawana Holdings Company Limited	22,123	738,466	0.2
		75,127,293	18.9

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

	Holdings at 31 December 2023	Fair value at 31 December 2023 CNH	Percentage of total net assets attributable to unitholders at 31 December 2023 %
By Industry (Primary) (continued)			
QUOTED EQUITIES (continued)			
COMMUNICATIONS			
Tencent Holdings Limited	112,560	30,018,372	7.5
China Mobile Limited H Shares	169,961	10,003,945	2.5
Kuaishou Technology Company Limited	84,510	4,064,630	1.0
China Telecom Corporation Limited	430,938	2,331,375	0.6
China Mobile Limited	20,690	2,058,241	0.5
China Telecom Corporation Limited H Shares	357,751	1,215,345	0.3
		49,691,908	12.4
CONSUMER DISCRETIONARY			
Meituan	164,312	12,223,630	3.1
BYD Company Limited H Shares	28,917	5,631,512	1.4
BYD Company Limited	27,513	5,447,574	1.4
Li Auto Inc.	38,168	5,099,869	1.3
Gree Electric Appliances Inc. of Zhuhai	125,414	4,034,568	1.0
Haier Smart Home Company Limited	170,831	3,523,189	0.9
Anta Sports Products Limited	39,570	2,722,674	0.7
China Tourism Group Duty Free Corporation Limited	29,714	2,448,913	0.6
Saic Motor Corporation Limited	80,141	1,084,308	0.3
JD Health International Inc.	30,276	1,075,282	0.3
Great Wall Motor Company Limited	33,683	849,485	0.2
Great Wall Motor Company Limited H Shares	64,136	590,727	0.1
		44,731,731	11.3

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

	Holdings at 31 December 2023	Fair value at 31 December 2023 CNH	Percentage of total net assets attributable to unitholders at 31 December 2023 %
By Industry (Primary) (continued)			
QUOTED EQUITIES (continued)			
INFORMATION TECHNOLOGY			
Xiaomi Corporation - Class B	485,535	6,880,059	1.7
Luxshare Precision Industry Company Limited	129,466	4,460,104	1.1
Longi Green Energy Technology Company Limited	178,562	4,089,070	1.0
Hangzhou Hikvision Digital Tech	103,850	3,605,672	0.9
Boe Technology Group Company Limited	885,332	3,452,795	0.9
Semiconductor Manufacturing International Corporation	52,486	2,782,808	0.7
Semiconductor Manufacturing International Corporation H Shares	117,544	2,120,442	0.5
Tongwei Company Limited	73,733	1,845,537	0.5
Foxconn Industrial Internet Company Limited	108,315	1,637,723	0.4
		<u>30,874,210</u>	<u>7.7</u>
INDUSTRIAL			
Contemporary Amperex Technology Company Limited	79,145	12,921,213	3.2
Beijing-Shanghai High Speed Railway Company Limited	748,601	3,683,117	0.9
Sungrow Power Supply Company Limited	28,614	2,506,300	0.6
China State Construction	519,920	2,500,815	0.6
S.F. Holding Company Limited	60,696	2,452,119	0.6
NARI Technology Company Limited	100,075	2,233,674	0.6
COSCO Shipping Holdings Company Limited	158,590	1,519,292	0.4
Citic Limited	198,055	1,403,225	0.4
COSCO Shipping Holdings Company Limited H Shares	81,932	584,212	0.1
		<u>29,803,967</u>	<u>7.4</u>

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

	Holdings at 31 December 2023	Fair value at 31 December 2023 CNH	Percentage of total net assets attributable to unitholders at 31 December 2023 %
By Industry (Primary) (continued)			
QUOTED EQUITIES (continued)			
ENERGY			
CNOOC Limited	512,789	6,799,131	1.7
China Petroleum & Chemical Corporation	530,910	2,962,478	0.7
China Shenhua Energy Company Limited	92,232	2,891,473	0.7
Petrochina Company Limited H Shares	588,592	2,758,742	0.7
China Petroleum & Chemical Corporation H Shares	681,642	2,532,367	0.6
China Shenhua Energy Company Limited H Shares	93,527	2,272,521	0.6
Petrochina Company Limited	313,222	2,211,347	0.6
Shaanxi Coal Industry Company Limited	94,500	1,974,105	0.5
		<u>24,402,164</u>	<u>6.1</u>
BASIC MATERIALS			
Zijin Mining Group Company Limited	427,581	5,327,659	1.3
Wanhua Chemical Group Company	47,932	3,682,136	0.9
Zijin Mining Group Company Limited H Shares	150,623	1,740,305	0.4
Anhui Conch Cement Company Limited	60,266	1,359,601	0.4
Ganfeng Lithium Group Company Limited	30,763	1,316,656	0.3
Anhui Conch Cement Company Limited H Shares	34,309	562,201	0.1
Ganfeng Lithium Group Company Limited H Shares	10,901	292,103	0.1
		<u>14,280,661</u>	<u>3.5</u>
UTILITIES			
China Yangtze Power Company Limited	271,065	6,326,657	1.6
China Three Gorges Renewables Group Company Limited	388,600	1,698,182	0.4
		<u>8,024,839</u>	<u>2.0</u>

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

	Holdings at 31 December 2023	Fair value at 31 December 2023 CNH	Percentage of total net assets attributable to unitholders at 31 December 2023 %
By Industry (Primary) (continued)			
QUOTED EQUITIES (continued)			
REAL ESTATE			
China Resources Land Limited	88,589	2,253,122	0.6
Poly Developments And Holdings Group Company Limited	195,761	1,938,034	0.5
China Vanke Company Limited	172,430	1,803,618	0.5
China Overseas Land & Investment Limited	106,028	1,325,214	0.3
China Vanke Company Limited H Shares	61,031	400,253	0.1
		<u>7,720,241</u>	<u>2.0</u>
Portfolio of investments		398,625,583	100.0
Other net liabilities		(103,639)	*
Net assets attributable to unitholders		<u>398,521,944</u>	<u>100.0</u>

* denotes amount less than 0.1%

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

	Percentage of total net assets attributable to unitholders at	
	31 December 2023 %	31 December 2022 %
By Industry (Summary)		
Financial	28.7	29.6
Consumer, Non-cyclical	18.9	20.7
Communications	12.4	12.4
Consumer Discretionary	11.3	14.0
Information Technology	7.7	4.9
Industrial	7.4	8.0
Energy	6.1	3.9
Basic Materials	3.5	3.3
Utilities	2.0	1.2
Real Estate	2.0	1.8
	<hr/>	<hr/>
Portfolio of investments	100.0	99.8
Other net (liabilities)/assets	*	0.2
Net assets attributable to unitholders	<hr/> 100.0	<hr/> 100.0

* denotes amount less than 0.1%

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

	Fair value at 31 December 2023 CNH	Percentage of total net assets attributable to unitholders at	
		31 December 2023 %	31 December 2022 %
By Geography (Secondary)			
China	389,015,114	97.6	98.2
Hong Kong	9,610,469	2.4	1.6
Portfolio of investments	398,625,583	100.0	99.8
Other net (liabilities)/assets	(103,639)	*	0.2
Net assets attributable to unitholders	398,521,944	100.0	100.0

* denotes amount less than 0.1%

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

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

1. GENERAL

Lion-OCBC Securities China Leaders ETF (the “Fund”) is a unit trust constituted by a Deed of Trust dated 2 July 2021 together with its Supplemental Deeds (hereafter referred to as “Trust Deed”). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee of the Fund is HSBC Institutional Trust Services (Singapore) Limited (the “Trustee”). The Manager of the Fund is Lion Global Investors Limited (the “Manager”).

The investment objective of the Fund is to replicate as closely as possible, before expenses, the performance of the Hang Seng Stock Connect China 80 Index (the “Index”) using a direct investment policy of investing in all, or substantially all, of the underlying Index Securities.

During the financial year, the Manager has at its own discretion, chosen to rebate to the Fund a management fee rebate.

2. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial instruments at fair value, and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 “Reporting Framework for Investment Funds” (“RAP 7”) revised and issued by the Institute of Singapore Chartered Accountants in August 2023 for the financial year beginning on or after 1 January 2023.

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

(b) Recognition of income

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on a time proportion basis using the effective interest method.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**(c) Financial derivatives**

Financial derivatives are 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 provisions of the Trust Deed.

Financial derivatives outstanding at the end of the financial year are measured at their fair values using the marked-to-market method, and the resultant gains and losses are taken up in the Statement of Total Return.

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

(d) 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 reporting date if the necessary approvals have been obtained and a legal or constructive obligation has been created.

(e) 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 change in the fair value of 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 sales 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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(f) 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 reporting date. The Fund utilises 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.

(g) 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.

(h) Due from and due to brokers

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.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand which are subject to an insignificant risk of changes in value. These also include bank overdraft that form an integral part of the Fund's cash management. Bank overdraft is shown in the current liabilities in the Statement of Financial Position.

(j) Payables

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**(k) Foreign currencies****(i) Functional and presentation currency**

The Fund qualifies as an authorised scheme under the Securities and Futures Act ("SFA") of Singapore and is offered to retail investors in Singapore. The Fund invests substantially in China and Hong Kong securities, with subscriptions and redemptions of the units in the Fund denominated in Singapore Dollar ("SGD").

The performance of the Fund is measured and reported to the investors in both Singapore Dollar and offshore Chinese Renminbi ("CNH") and majority of the Fund's expenses are incurred in offshore Chinese Renminbi. The Manager considers the offshore Chinese Renminbi as the currency which most faithfully represents the economic effects of the underlying transactions, events and conditions. The Fund's functional and presentation currency is the offshore Chinese Renminbi.

(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 of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in the Statement of Total Return within the net foreign exchange gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities are also recognised in the Statement of Total Return within the net gain or loss on investments.

(l) Expenses

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

(m) Management fee

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

n) Creation and cancellation of units

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

3. INCOME TAX

The Fund has been approved by the Monetary Authority of Singapore ("MAS") under the Enhanced-Tier Fund ("ETF") Incentive Tax Scheme under Section 13U of the Income Tax Act 1947 and the relevant Regulations. Subject to certain conditions being met on an annual basis, the Fund may enjoy Singapore corporate tax exemption on "specified income" derived from "designated investments" for the life of the Fund. The tax exemption does not apply in the year when the relevant conditions are not met. Losses from "designated investments" are correspondingly disregarded. The terms "specified income" and "designated investments" are defined in the relevant income tax Regulations.

	2023	2022
	CNH	CNH
Overseas income tax	<u>1,473,119</u>	<u>1,344,323</u>

The overseas income tax represents tax deducted at source on income derived from outside Singapore. Such income is recorded gross of withholding tax in the Statement of Total Return.

4. DISTRIBUTIONS

	2023	2022
	CNH	CNH
Distribution of SGD4.68 per 100 units on 24 July 2023 to unitholders as at 4 July 2023	13,404,598	-
Distribution of SGD3.30 per 100 units on 25 July 2022 to unitholders as at 4 July 2022	<u>-</u>	<u>7,475,434</u>
	<u>13,404,598</u>	<u>7,475,434</u>

5. RECEIVABLES

	2023	2022
	CNH	CNH
Amount receivable for creation of units	580,201	-
Management fee rebate receivable	112,627	260,000
Dividends receivable	6,666	15,446
Other receivables	45,439	244,007
	<u>744,933</u>	<u>519,453</u>

6. CASH AND CASH EQUIVALENTS

The cash and cash equivalents and bank overdraft are placed with a financial institution which is a related company of the Trustee.

7. PAYABLES

	2023	2022
	CNH	CNH
Amount due to the Manager	149,012	159,695
Amount due to the Trustee	13,246	14,195
Amount due to the Custodian	11,284	9,517
Amount due to the Registrar	5,951	5,907
Other payables	288,466	243,317
	<u>467,959</u>	<u>432,631</u>

8. UNITS IN ISSUE

	2023	2022
	Units	Units
Units at beginning of the financial year	51,651,010	41,851,010
Units created	3,300,000	9,800,000
Units at end of the financial year	<u>54,951,010</u>	<u>51,651,010</u>

8. UNITS IN ISSUE (continued)

	2023	2022
	SGD	SGD
Net assets attributable to unitholders	74,044,427	81,106,597
Net assets attributable to unitholders (CNH equivalent)	398,521,944	420,783,695
Net asset value per unit	<u>1.347</u>	<u>1.570</u>
Net asset value per unit (CNH equivalent)	<u>7.252</u>	<u>8.146</u>

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 reporting date is presented below.

	2023	2022
	SGD	SGD
Net assets attributable to unitholders per unit per financial statements	1.347	1.570
Effect of movement in the net asset value between the last dealing date and the end of the reporting period	<u>*</u>	<u>*</u>
Net assets attributable to unitholders per unit for issuing/redeeming units	<u>1.347</u>	<u>1.570</u>

* denotes amount less than SGD0.001

9. FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Fund's overall risk management programme seeks to minimise potential adverse effects on the Fund's financial performance. The Manager is responsible for the implementation of overall risk management programme, which seeks to minimise potential adverse effects on the Fund's financial performance. 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 investments in Index securities in substantially the same weightings as reflected in the Index. The Manager will rebalance the Fund's portfolio of investments from time to time to reflect any changes to the composition of, or weighting of Index securities to minimise tracking error of the Fund's overall returns relating to the performance of the Index. The financial instruments are held in accordance with the published investment policies of the Fund and managed accordingly to achieve their investment objectives.

9. FINANCIAL RISK MANAGEMENT (continued)

The following is a summary of the main risks and risk management policies:

(a) Market risk

Market risk is the risk of loss to the value of financial investments because of changes in market conditions like interest and currency rate movements and volatility in security prices. External factors such as changes in economic environment, consumption patterns and investor's expectation contribute to market risk which may have a significant impact on the asset's value.

The Fund's investments are substantially dependent on changes in market prices. The Manager monitors the Fund's investments closely so as to assess changes in fundamentals and valuation. However, events beyond reasonable control of the Manager could affect the prices of the underlying investments and hence the asset value of the Fund.

The Fund's market risk is affected primarily by changes in three components: changes in actual market prices, interest rate volatilities and foreign exchange movements.

(i) Price risk

Price risk is the risk of potential adverse changes to the value of financial investments because of changes in market conditions and volatility in security prices. The Fund is designated to track the performance of the Index, therefore the exposure to price risk in the Fund will be substantially the same as the Index. As an exchange traded fund, the Manager manages the Fund's exposure to price risk by ensuring the key characteristics of the portfolio, such as security weight, is closely aligned to the characteristics of the Index.

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Price risk (continued)

The tables below summarise the impact of increases/decreases from the Fund's underlying investments in equities on the Fund's net assets attributable to the unitholders as at 31 December 2023 and 2022. The analysis was based on the assumptions that the index components within the benchmark index increased/decreased by a reasonable possible shift, with all variables held constant and that the fair value of the Fund's investments moved according to the beta.

As at 31 December 2023

Fund	Benchmark	Beta	Reasonable possible change %	Impact of reasonable possible change on net asset attributable to unitholders CNH
Lion-OCBC Securities China Leaders ETF	Hang Seng Stock Connect China 80 Index	0.96	8	30,614,445

As at 31 December 2022

Fund	Benchmark	Beta	Reasonable possible change %	Impact of reasonable possible change on net asset attributable to unitholders CNH
Lion-OCBC Securities China Leaders ETF	Hang Seng Stock Connect China 80 Index	0.98	8	32,934,994

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(ii) 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 on the Fund's portfolio may not be quantified as the relationship between interest rates and the value of the equity securities is indirect. Hence, no separate sensitivity analysis has been presented.

(iii) Currency risk

The Fund has monetary financial assets/liabilities denominated in currencies other than offshore Chinese Renminbi and the Fund may be affected favourably or unfavourably by exchange rate regulations or changes in the exchange rates between the offshore Chinese Renminbi and such other currencies. The Fund may enter into foreign currency contracts designed to either hedge some or all of this exposure, or alternatively increase exposure to preferred foreign currencies.

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(iii) Currency risk (continued)

The tables below summarise the Fund's exposure to key currencies at the end of the financial year. Monetary and non-monetary items have been taken into account for the analysis.

As at 31 December 2023

	CNH	USD	SGD	HKD	Total
	CNH	CNH	CNH	CNH	CNH
Assets					
Portfolio of investments	246,796,805	-	-	151,828,778	398,625,583
Receivables	154,785	-	583,482	6,666	744,933
Cash and cash equivalents	196,425	668	-	300	197,393
Total assets	<u>247,148,015</u>	<u>668</u>	<u>583,482</u>	<u>151,835,744</u>	<u>399,567,909</u>
Liabilities					
Bank overdraft	-	-	578,006	-	578,006
Payables	208,051	82,074	177,834	-	467,959
Total liabilities	<u>208,051</u>	<u>82,074</u>	<u>755,840</u>	<u>-</u>	<u>1,045,965</u>
Net financial assets/(liabilities)	<u>246,939,964</u>	<u>(81,406)</u>	<u>(172,358)</u>	<u>151,835,744</u>	
Net currency exposure	<u>246,939,964</u>	<u>(81,406)</u>	<u>(172,358)</u>	<u>151,835,744</u>	

9. FINANCIAL RISK MANAGEMENT (continued)

- (a) Market risk (continued)
- (iii) Currency risk (continued)

As at 31 December 2022

	CNH	USD	SGD	HKD	Total
	CNH	CNH	CNH	CNH	CNH
Assets					
Portfolio of					
investments	263,225,684	-	-	156,863,524	420,089,208
Receivables	293,737	-	210,269	15,447	519,453
Cash and cash					
equivalents	601,015	184	5,106	1,360	607,665
Total assets	264,120,436	184	215,375	156,880,331	421,216,326
Liabilities					
Payables	258,461	14,117	160,053	-	432,631
Total liabilities	258,461	14,117	160,053	-	432,631
Net financial					
assets/(liabilities)	263,861,975	(13,933)	55,322	156,880,331	
Net currency					
exposure	263,861,975	(13,933)	55,322	156,880,331	

Equity investments are non-monetary financial assets and are exposed to both currency risk and price risk. As these financial assets are non-monetary, no separate sensitivity analysis has been performed to analyse currency risk. The impact of currency risk arising from these financial assets on the Fund's net asset value has been included in the above price risk sensitivity analysis.

The Fund's monetary assets/liabilities are measured for their sensitivity to exchange rate movements based on the balance of the monetary assets/liabilities, forecasted exchange rate movements and the net asset value of the Fund.

As of 31 December 2023 and 2022, the Fund's exposure to foreign currency fluctuations with respect to the monetary assets/liabilities is not considered to be significant and hence no sensitivity analysis on foreign currency risk has been presented.

9. FINANCIAL RISK MANAGEMENT (continued)

(b) Liquidity risk

Liquidity risk is the risk of loss arising from the inability of the Fund to meet its obligation as and when they fall due without incurring unacceptable cost or losses.

The Fund is exposed to daily redemption of units from unitholders. The Manager therefore ensures that the Fund maintains sufficient cash and cash equivalents 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 investments that are traded in active market and can be readily disposed of.

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

As at 31 December 2023	Less than 3 months CNH	3 months- 1 year CNH	1-5 years CNH	Above 5 years CNH
Bank overdraft	578,006	-	-	-
Payables	467,959	-	-	-

As at 31 December 2022	Less than 3 months CNH	3 months- 1 year CNH	1-5 years CNH	Above 5 years CNH
Payables	432,631	-	-	-

(c) Credit risk

Credit risk is the risk that counterparty will fail to perform contractual obligations, either in whole or in part, under a contract.

Concentrations of credit risk are minimised primarily by:

- ensuring counterparties, together with the respective credit limits, are approved,
- ensuring that transactions are undertaken with a large number of counterparties, and
- ensuring that the majority of transactions are undertaken on recognised exchanges.

9. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

All transactions in listed securities are settled/paid upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

Credit risk also arises from cash and cash equivalents and assets held with financial institutions.

The Fund may also enter into derivatives to manage its exposures to currency risk and price risk, including foreign exchange forward contracts and options. Hence, the Fund is also exposed to the risk that its derivatives held with counterparties may not be recoverable in the event of any default by the parties concerned. The Manager minimises the Fund's credit risk by undertaking transactions with banks that are part of banking groups with good credit ratings assigned by Standard and Poor's ("S&P") or Moody's.

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 year 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 year is not significant.

The tables below summarise the credit rating of bank and custodian in which the Fund's assets are held as at 31 December 2023 and 2022.

	Credit rating ##	Source of credit rating
As at 31 December 2023		
<u>Custodian</u>		
The Hongkong and Shanghai Banking Corporation Limited	AA-	S&P
<u>Bank</u>		
The Hongkong and Shanghai Banking Corporation Limited	AA-	S&P

9. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

	Credit rating ##	Source of credit rating
As at 31 December 2022		

Custodian

The Hongkong and Shanghai Banking Corporation Limited	AA-	S&P
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Bank

The Hongkong and Shanghai Banking Corporation Limited	AA-	S&P
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The maximum exposure to credit risk at the reporting date is the carrying amount of the financial instruments.

The credit ratings are based on the Long-Term Issuer Ratings published by the rating agency.

Group credit ratings are presented for unrated subsidiaries.

(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 unitholders' 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).

9. 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 2023 and 2022:

As at 31 December 2023	Level 1 CNH	Level 2 CNH	Level 3 CNH	Total CNH
Assets				
Portfolio of investments				
- Quoted equities	398,625,583	-	-	398,625,583

As at 31 December 2022	Level 1 CNH	Level 2 CNH	Level 3 CNH	Total CNH
Assets				
Portfolio of investments				
- Quoted equities	420,089,208	-	-	420,089,208

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

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

10. RELATED PARTY TRANSACTIONS

Management fee is paid to the Manager and management fee rebate is received from the Manager, while trustee fee is paid to the Trustee. 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.

In addition to the related party information shown elsewhere in the financial statements, the following significant transactions took place during the financial year between the Fund and related parties at terms agreed between the parties and within the provisions of the Trust Deed:

	2023 CNH	2022 CNH
Interest income earned with a bank which is a related company of the Trustee	640	618
Transaction fees charged by the Trustee	63,786	116,665
Registration fee charged by a related company of the Trustee	64,842	64,814
Valuation and administration fees charged by the Trustee	85,946	78,457
Custodian fees charged by a related company of the Trustee	86,006	83,477
Bank service fees (refunded)/charged by a bank which is a related company of the Trustee	(334)	5,180

11. AUDITORS' REMUNERATION

During the financial years ended 31 December 2023 and 2022, the following fees were paid or payable for services provided by the auditor of the Fund.

	2023	2022
	CNH	CNH
Audit fee paid/payable to:		
- Auditor of the Fund	98,704	83,090
Other fees paid/payable to:		
- Auditor of the Fund	23,754	21,992
	<u>122,458</u>	<u>105,082</u>

12. FINANCIAL RATIOS

	2023	2022
	%	%
Expense ratio ¹	0.67	0.62
Portfolio turnover ratio ²	<u>13</u>	<u>15</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 expense ratio at 31 December 2023 was based on total operating expenses of CNH2,861,673 (2022: CNH2,434,764) divided by the average net asset value of CNH429,620,394 (2022: CNH392,479,929) for the 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 asset 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, being sales of CNH56,247,808 (2022: sales of CNH59,378,547) divided by the average daily net asset value of CNH429,620,394 (2022: CNH392,479,929).

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