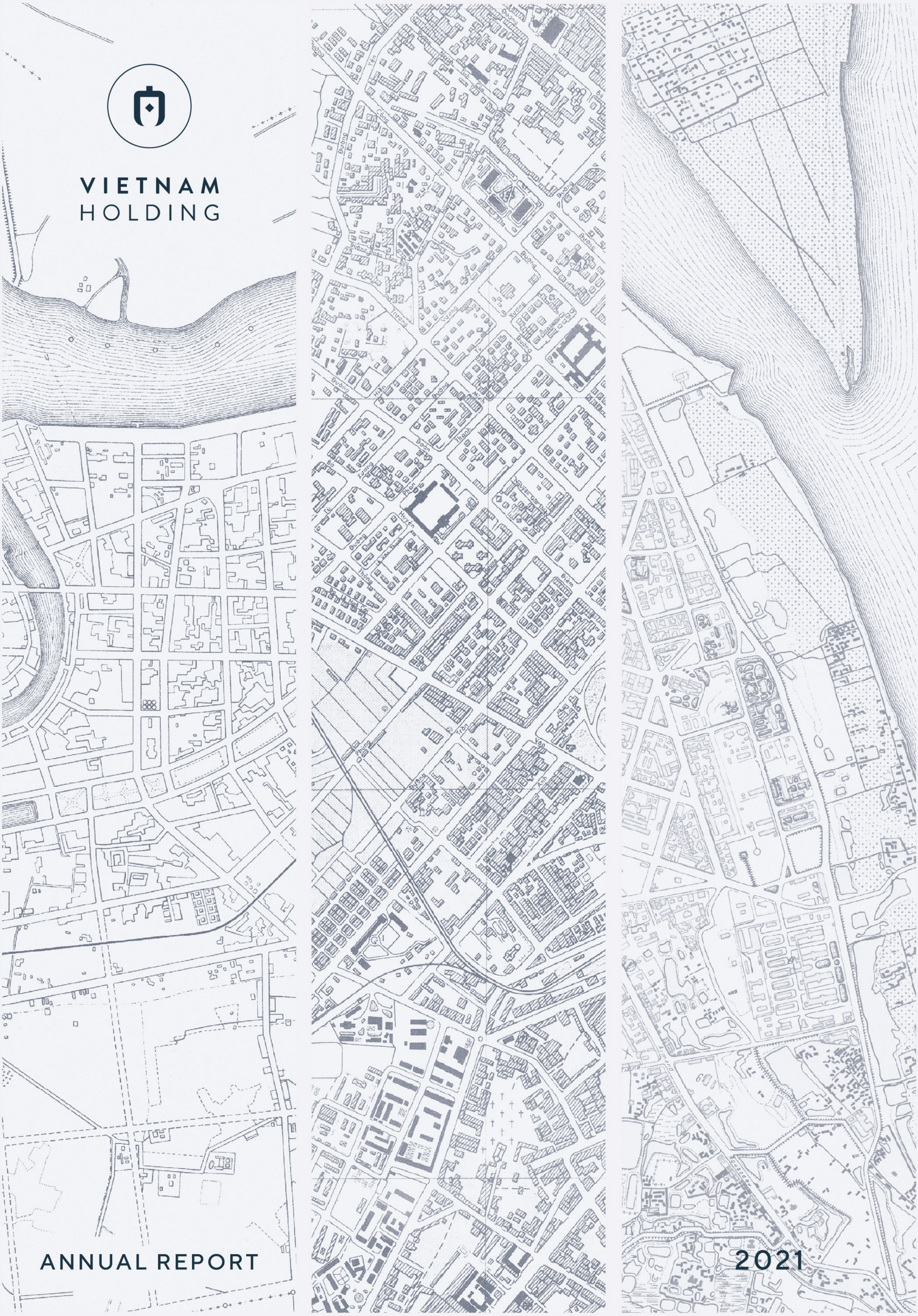
VIETNAM HOLDING



ANNUAL REPORT 2021

LSE-listed investment company focused solely on Vietnam: the fastest-growing economy in South East Asia. Invests in high-growth companies, focusing on domestic consumption, industrialisation and urbanisation.

Our Purpose

Capturing the growth of Vietnam through an actively managed, high-conviction portfolio of companies.

Our Vision

Owning a portfolio of companies with the potential to double their underlying earnings over the next four to five years. Active stock selection balanced between high-growth small-and-medium companies and best-in-class blue chips. Seeking companies that can benefit from enhanced valuations by following a trajectory of better Environmental, Social, Governance practices.

Strategic Report

Highlights of the Year

Financial Highlights

- Net Asset Value ("NAV") rose during the period by USD 78.8 million to USD 196.1 million
- NAV per share (USD) increased by 99.3%
- Net Investment gain of USD 103.98 million versus a loss of USD 17.71 million in the corresponding 2020 period

Operational Highlights

- Fund is invested in 26 positions
- Top-ten positions account for 68.8% of the NAV
- Estimated average carbon footprint of the portfolio is 35% lower than the index

Total Net Assets (USD) 196.1 m	2021	196.1m
	2020	117.3m
Net Asset Value per share (USD) 4.600	2021	4.600
	2020	2.308
Net Asset Value per share (GBP) 333.0p	2021	333.0p
	2020	186.8p
Share price 265.0p	2021	265.0p
	2020	154.0p
Discount to Net Asset Value 20.4%	2021	20.4%
	2020	17.6%

As at 29 September 2021 (the latest available date before approval of the accounts), the discount to NAV had moved to 15.1%. The estimated NAV per share and mid-market share price at 29 September 2021 was 347.3p and 295.0p respectively.

Ongoing Charges

Ongoing charges for the year ended 30 June 2021 have been calculated in accordance with the Association of Investment Companies (the "AIC") recommended methodology. The ongoing charges for the year ended 30 June 2021 were 2.52%. Refer to page 75 for the definitions of Alternative Performance Measures ("APMs") together with how they have been calculated.

Year end 30 June 2021

Average NAV	a	USD 146,258,398
Operating expenses*	b	USD 3,684,981
Ongoing charges figure (calculated using the AIC methodology)	b÷a	2.52%

*Operating expenses per the financial statements less one off non-recurring charges of USD 136,860.

Company Overview

Focused Investment Approach

Portfolio of 26 companies with 68.8% in top-ten positions. The portfolio has a Price-to-earnings valuation of circa 10x and an Earnings growth forecast of circa 20% for 2022.

Investment Manager

DYNAM CAPITAL LTD

Vietnam specialist, regulated by the Guernsey Financial Services Commission. Partner-owned business whose sole focus is asset management. Appointed Investment Manager on 16 July 2018.

What Dynam Does:

- Top-down & bottom-up research driven fundamental analysis.
- Active engagement with portfolio companies on ESG.
- Long-term investment horizon.

The Company

VIETNAM HOLDING

Premium Listed London Investment Company established in 2006. Seeks to achieve long-term capital appreciation by investing in a diversified portfolio of companies in Vietnam that have high growth potential at an attractive valuation.

What Vietnam Holding Does:

- Capturing the growth of Vietnam through long term investment in an actively managed, high-conviction portfolio of companies.
- Protect shareholder interests by aspiring to the highest standards of corporate governance at both fund & portfolio level.

What Makes Us Different

Right Size for the Vietnam Equity Market

Big enough to be an active and engaged shareholder in portfolio companies, nimble enough to find and fund less-known emerging champions.

ESG in the DNA

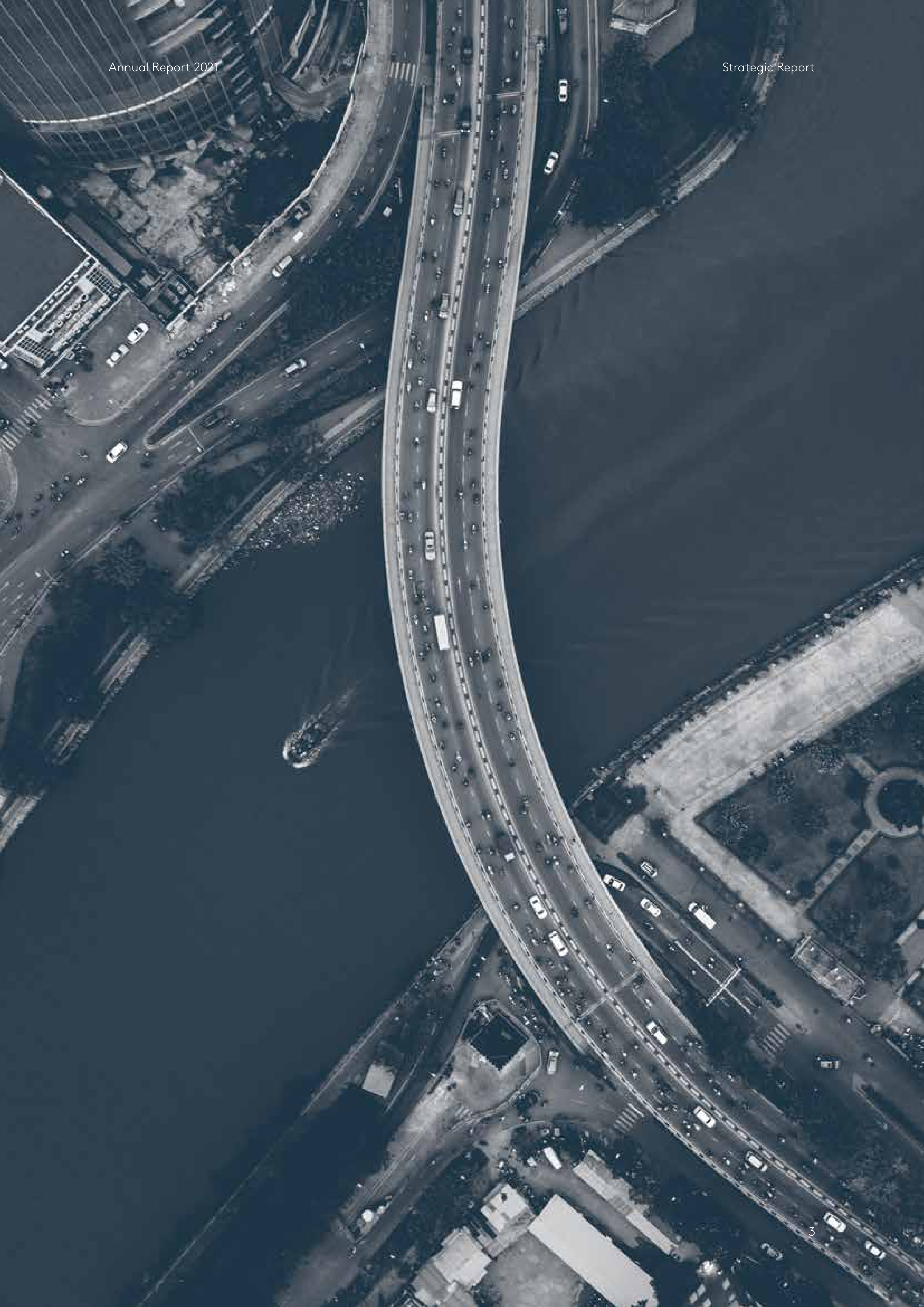
Since its early days the Company has been an active adherent to best practice in Environmental, Social and Governance issues, believing that better-managed companies on these dimensions will be worth more in the longer-term. The Company has been a signatory of the United Nations Principles for Responsible Investing ("UNPRI") for over a decade and scored A, A+, A in the recent UNPRI report.

Nimble Access Across Spectrum

The Company is able to invest in best-in-class names across the spectrum of firm size with the flexibility to include pre-IPO, small-mid caps and large caps in the portfolio.

Actively Managed Portfolio

High conviction, off-index positions managed by the Investment Manager's active ownership capabilities.



Summary Information

The Company

VietNam Holding Limited (the "Company" or "VNH") is a closed-end investment company that was incorporated in the Cayman Islands on 20 April 2006 as an exempted company with limited liability under registration number 166182. On 25 February 2019, the Company, via a process of cross-border continuance, transferred its legal domicile from the Cayman Islands to Guernsey and was registered as a closed-ended company limited by shares incorporated in Guernsey with registered number 66090. The Shares were admitted to trading on AIM in June 2006 and changed to a Premium Listing on the Official List of the UK Listing Authority and admitted to trading on the Main Market of the London Stock Exchange on 8 March 2019. The Company also listed on the Official List of The International Stock Exchange on 8 March 2019. The Company has an unlimited life with a continuation vote in 2023.

Investment Objective

The Company's investment objective is to achieve long-term capital appreciation by investing in a diversified portfolio of companies that have high growth potential at an attractive valuation.

Investment Policy

The Company attempts to achieve its investment objective by investing in the securities of publicly traded companies in Vietnam, and in the securities of foreign companies if a majority of their assets and/or operations are based in Vietnam. The Company may invest in equity securities or securities that have equity features, such as bonds that are convertible into equity.

The Company may invest in listed or unlisted securities, either on the Vietnamese stock exchanges, through purchases on the OTC Market, or through privately negotiated deals.

The Company may invest its available cash in the Vietnamese domestic bond market as well as in international bonds issued by Vietnamese entities.

The Company may utilise derivatives contracts for hedging purposes and for efficient portfolio management but will not utilise derivatives for investment purposes.

The Company does not intend to take control of any company or entity in which it has directly or indirectly invested (the "Investee Company") or to take an active management role in any such company. However Dynam Capital, Ltd. ("Dynam Capital"), (the "Investment Manager") may appoint one of its directors, employees or other appointees to join the board of an Investee Company and/or may provide certain forms of assistance to such company, subject to prior approval by the VNH Board.

The Company integrates environmental, social and corporate governance ("ESG") factors into its investment analysis and decision-making process. Through its Investment Manager, the Company actively incorporates ESG considerations into its ownership policies and practices and engages Investee Companies in pursuit of appropriate disclosure and the improvement of material issues.

The Company may invest:

- up to 25% of its Net Asset Value ("NAV") (at the time of investment) in companies with shares traded outside of Vietnam if a majority of their assets and/or operations are based in Vietnam;
- up to 20% of its NAV (at the time of investment) in direct private equity investments; and
- up to 20% of its NAV (at the time of investment) in other listed investment funds and holding companies which have the majority of their assets in Vietnam.

Borrowing Policy

The Company is permitted to borrow money and to grant security over its assets provided that such borrowings do not exceed 25% of the latest available NAV of the Company at the time of the borrowing unless the Shareholders in general meeting otherwise determine by ordinary resolution.

Investment Restrictions and Diversification

The Company will adhere to the general principle of risk diversification in respect of its investments and will observe the following investment restrictions:

- the Company will not invest more than 10% of its NAV (at the time of investment) in the shares of a single Investee Company;
- the Company will not invest more than 30% of its NAV (at the time of investment) in any one sector;
- the Company will not invest directly in real estate or real estate development projects, but may invest in companies which have a large real estate component, if their shares are listed or are traded on the OTC Market; and

- the Company will not invest in any closed-ended investment fund unless the price of such investment fund is at a discount of at least 10% to such investment fund's NAV (at the time of investment).

Furthermore, based on the guidelines established by the United Nations Principles for Responsible Investment ("UNPRI"), of which the Company is a signatory:

- the Company will not invest in companies known to be significantly involved in the manufacturing or trading of distilled alcoholic beverages, tobacco, armaments or in casino operations or other gambling businesses;
- the Company will not invest in companies known to be subject to material violations of Vietnamese laws on labour and employment, including child labour regulations or racial or gender discriminations; and
- the Company will not invest in companies that do not commit to reducing in a measurable way pollution and environmental problems caused by their business activities.

Any material change to the investment policy will only be made with the approval of Shareholders by ordinary resolution.

Shareholder Information

Sanne Group (Guernsey) Limited (the "Administrator") is responsible for calculating the NAV per share and delegates this function under a legal contractual arrangement to Standard Chartered Bank (Singapore) Limited (the "Sub-Administrator"), previously Standard Chartered Bank, Singapore Branch until its transference under the Banking Act on 13 May 2019. The estimated NAV per ordinary share is calculated as at the close of business each business day by the Investment Manager and published at close of business in Vietnam the same day. The monthly NAV is calculated by the Sub-Administrator on the last business day of every month and announced by a Regulatory News Service within 10 business days.

Chairman's Statement

Hiroshi Funaki Chairman

Dear Shareholder,

I am proud to present the Annual Report for VietNam Holding Limited in yet another extraordinary twelve-month period ending 30 June 2021. This has been a year of disruption never seen in this lifetime and as waves of novel coronavirus ("COVID-19") continued to flow across the globe we all have had to adjust to a new norm of work-from-home, lockdowns, quarantines, holiday cancellations, PCR/lateral flow tests, and vaccinations. Yet despite the increased uncertainties, Vietnam has shown great resilience, garnering much international praise for its handling of the first phases of COVID-19 while also maintaining its position as one of the world's fastest growing economies.

In fiscal 2020, Vietnam's GDP managed to grow by close to 3% and is estimated to increase by close to 4% in 2021. This is nearer to its remarkable multi-decade growth average even though like many countries it has been grappling with the rapid spread of the Delta variant. Although the nation has struggled somewhat with this fourth wave, the pace of vaccinations is picking up with 1 million doses[1] a day being given recently, and there are plans in place to lower quarantine restrictions for vaccinated arrivals. Vietnam's equity market has been one of the best performing stock markets in the world and thanks to an active stock selection and investment management process the Company's Net Asset Value per share has also performed strongly – almost doubling – and we are pleased to see that the share price performance remains strong, putting the Company's performance firmly at the top of several tables.

Discount

The discount between the share price and the NAV per share at the end of the financial year was 20.4%. The average level of the discount was 20.2%, having fluctuated between 10.1% and 27.5% over the period. The Board continues to focus on narrowing the discount and has utilised three main discount control measures: Marketing; Share Buybacks and Tender Offers. At time of writing the discount has narrowed in to 15.1%[2].

Marketing

With the help of the Investment Manager, Dynam Capital, and despite travel restrictions imposed for much of the period, the Board has further developed the Company's marketing activity throughout the year to help narrow the discount, improve liquidity in the Company's shares and widen our Shareholder base.

The Investment Manager has been actively promoting the Company and along with our broker and sales partners has organised roadshows, topical seminars, podcasts and several webinars. Our intention is to continuously enhance these marketing and communications efforts, which continue to bear fruit. The average daily volume of shares traded in the Company has increased by 327% above the previous year and the Company's Shareholder base has broadened with new institutional investors, family offices, wealth management platforms and retail investors. The Company has also been proactively promoted through a wide range of media outlets, including video, audio and online print media, and has been featured several times in publications such as *Investors Chronicle* and *Euromoney*. The Investment Manager has also maintained a strong social media presence for the Company. We welcome all Shareholders who may be reading this Annual Report for the first time and thank all existing holders for their support.

Share Buybacks

The Board has a mandate, renewed at the AGM on 30th October 2020, to authorise the purchase up to 14.99% of the Company's shares each year in the open market at prices below NAV per share. In the year from 1 July 2020 to 30 June 2021, the Company bought back 605,681 shares (representing 1.2% of the shares outstanding at 1 July 2020) at a weighted average discount of 21.3%. This resulted in a 0.25% accretion to NAV per share. From September 2017, when the current Board was appointed, through until 30 June 2021, the Company has bought back 12.66m shares at a weighted average discount of 15.4%. This represents a 2.7% accretion to NAV per share.

Tender Offers

From time to time the Board uses tender offers to provide a liquidity opportunity to investors in the Company. Last year Shareholders approved the Board's recommended tender offer for 15% of the Company's shares at a 2% discount to the prevailing NAV per share as at 30 October 2020. Post period end, the Board has completed a further tender offer for 30% of the Company's shares at a 2% discount to the prevailing NAV per share as at 31 August 2021. In the weeks following the announcement of the most recent tender offer the discount has narrowed significantly to 16%.

Performance

In the first half of the annual period, VNH's NAV per share increased by 38.7% to USD 3.201, in line with return of 38.8% in the Vietnam All Share Total Return Index in USD terms, and from 1 January 2021 to 30 June 2021, the NAV per share (USD) increased by 43.7%, outperforming the index. As mentioned in the introduction, over the full year the NAV per share increased by 99.3%. Over a one year, three year and ten year period ending 30 June 2021, VNH's NAV per share (USD) outperformed the Vietnam All Share Index in USD terms.

Performance monitoring remains a key focus of the Board, and we engage closely with our Investment Manager in this respect through monthly conference calls, attended by members of the Board and quarterly presentations. The Board typically seeks to spend time in situ with Dynam Capital and its local management team in Ho Chi Minh City, however this has not been possible over the past year due to COVID-19 and may not be possible for some time. A more detailed account of the Company's annual performance is also provided in the Investment Manager's Report.

The Delta Variant and Vaccination Programme

The Company has paid close attention to ongoing developments around COVID-19 and has ensured that its Business Continuity Plans ("BCP") and those of all its key service providers have been operational. As such, we are very pleased to report that there was no interruption to the activities of the Company during this period. Nonetheless, due to travel restrictions the Board has been unable to physically visit Vietnam during this period.

The Investment Manager's subsidiary company is based in Vietnam, and in July and August they have been operating under work-from-home protocols, as lockdowns have been imposed in Ho Chi Minh City and Hanoi. Vaccination progress in Vietnam has been much slower than in the UK and Europe, and at the time of going to report 30% of the adult population have received at least one dose, with an estimated 6% having received two doses[3]. This has cast a shadow on the notable ways in which Vietnam handled the earlier waves of the pandemic. It is hoped that higher vaccination numbers will allow the country to open up travel and inbound visits from foreign investors, as this might go some way to encourage more foreign participation in the stock market, which has been eclipsed by the surge in domestic investor interest. This is discussed in greater detail in the Investment Manager's Report, which follows.

Climate Temperature Check

The Company has been a signatory of the United Nations' Principles for Responsible Investment ("UNPRI") for over a decade, and last year achieved highest grades in the PRI Assessment report. This year the Board has announced its support of the Paris Agreement and committed to the Task Force on Climate-related Financial Disclosures ("TCFD"). The Investment Manager has also become a member of the Asia Investor Group for Climate Change ("AIGCC"). With the publication of the United Nations' latest report on climate change urgencies, and its upcoming COP-26 conference in Glasgow later this year, there is no escaping the fact that global warming is a reality and all responsible investors must seek to play a part in addressing it. We have agreed with the Investment Manager that we will do more to measure and report on our activities in this respect. We are pleased to reveal that the estimated average carbon-footprint of the Company's investment portfolio over the last two years was 35% lower than the equivalent index. The activities of the Company and the Investment Manager as part of our aim to help businesses make a positive impact with respect to climate and broader environmental, social and governance matters are detailed in the *Sustainability Report.*

On behalf of the Board, I would like to extend a further thank you to you the Shareholders for your ongoing support throughout the past unprecedented year.

Hiroshi Funaki
Chairman
VietNam Holding Limited
30 September 2021

[1] Source: Ministry of Health, https://tiemchungcovid19.gov.vn/portal

[2] As at 29 Sep 2021, Source: RNS (https://www.londonstockexchange.com/news-article/VNH/estimated-daily-net-asset-value/15153724)

[3] Ministry of Health, https://tiemchungcovid19.gov.vn/portal; https://ourworldindata.org/covid-vaccinations?country=VNM;

Investment Manager's Report

Vu Quang Thinh CIO and Managing Director

Craig Martin Chairman and Managing Director

This year marks the 15th anniversary of the Company and its listing in London. The Company was initially on AIM and then moved to the premium segment of the main board of the London Stock Exchange in March 2019.

The 15th anniversary has been marked by one of the most robust performances in the Company's history. In the first half of the annual period, VNH's NAV per share increased by 38.7% to USD 3.201, in line with a 38.8% return in the Vietnam All Share Index ("VNAS") in USD terms, and from 1 January 2021 to 30 June 2021, the NAV per share increased by a further 43.7% to a record USD 4.60 per share. For the year, the NAV per share increased by 99.3%, outperforming the total return of the VNAS by 7.3%, in USD terms. Its outperformance of the Vietnam Index ("VNI") was even higher at 27.3%. In addition, in May 2021, the Company became the top-performing Investment Trust in the United Kingdom, and for the calendar year to 30 June 2021 it was the top-performing fund in Vietnam.

The Company has a high-conviction portfolio concentrated in 26 positions, with its top-ten positions making up 68.8% of NAV. The largest weighting, FPT Corporation, FPT (11.0% of NAV), the country's leading IT and telecoms services company, soared by 130.6% as it secured significant traction in its domestic and overseas business. Hoa Phat Group, HPG, (9.4% of NAV), Vietnam's largest steel producer in construction steel and steel pipe, was a particularly strong performer in our portfolio for the period with a gain of 222.3%. The banks in our portfolio also performed very positively with Vietin Bank ("CTG") up 150.3%, VP Bank ("VPB") up 233.9%, Military Bank ("MBB") up 205.7%, and Sacombank up 182.7%. See Top Five Portfolio Companies on pages 14 to 18 for more information. Overall, 25 of our 26 positions increased in value and only one decreased.

Increased Liquidity in the Market

Foreigners have been net sellers of Vietnamese equities for most of the last year with more than USD 2.0bn in net sales in the eighteen months to 30 June 2021. This has been replaced by domestic money, particularly stemming from new investors. Throughout the year an estimated one million new trading accounts have been opened, and this is currently continuing at a rate of 100,000 new accounts per month. There are now an estimated four million retail trading accounts in Vietnam, which is more than in the UK.

The significant increase in trading volumes did cause some havoc. In the second half of the financial year, the Ho Chi Minh Stock Exchange ("HOSE") infrastructure appeared to be unable to cope with orders beyond USD 700m a day. Some administrative measures were taken, including increasing the lot size ten-fold to 100 shares and moving the trading venue for some stocks to the Hanoi Stock Exchange. FPT, our top holding, was also involved in helping to provide an interim technical solution to the HOSE, and this was finalised on 4 July 2021[1]. Daily trading volumes on HOSE have now reached USD 1.3bn during some trading periods, which is five times the level of a year ago.

The HOSE infrastructure is due for an extensive overhaul within the next year and will be replaced by a Korean system. The new system is expected to integrate with a proposed central share depository, which will help move towards faster settlement and remove some of the problems associated with the need to pre-fund trading accounts. This bodes well for the continued growth of the stock market. In fact, to put the growth in context, the market capitalisation of all Vietnamese listed companies is now approximately USD 300bn compared to only USD 2bn when the Fund was launched in 2006.

[1] *https://www.hsx.vn/*

Increased Liquidity in the Portfolio

The median market capitalisation of the Fund increased by a significant amount throughout the year – from USD 540m at 30 June 2020 to USD 1.98bn at 30 June 2021. This was due to our increased allocation in banks – which tend to be larger cap companies – and the performance of some of our previously 'mid-cap' holdings, which are now large-cap. The dramatic growth in top five positions such as HPG – now a USD 10bn market capitalisation company – also contributed to this surge.

The larger cap stocks, accounting for 76% of the portfolio, continued to outperform the small and mid-cap stocks for most of the year. We did see an interesting inversion in the relative valuations of smaller stocks in the second half of the year, driven in part by increased attention from domestic retail investors. To be specific, three years ago the smaller cap stocks, as measured by the VN 70 index, traded at a P/E ratio level around 30% lower than the larger cap stocks, as measured by the VN 30 index, while over this last year the ratio inverted with the VN70 stocks trading at a 30% premium to the VN 30 index in March 2021.

The portfolio liquidity is relatively high and we estimate that 94% of the portfolio could be liquidated in less than 30 days. This is a result of the combination of higher market liquidity (5x the levels of 2019, as described above) and a higher relative weighting to larger stocks. Also, as at 30 June 2021, the portfolio stock holdings were all quoted, and our previous only 'private equity' position in ABA was realised on 25 June 2021 for cash.

In October 2020, we decided not to exercise the conversion option we held in ABA (4% of prevailing NAV at the time of investment), and instead sought repayment of the convertible bonds originally by 27 November 2020. We were in close contact with the portfolio company and they informed us that despite their best efforts in securing refinancing options, COVID-19 travel restrictions had delayed the process and repayment would be delayed. We agreed to provide an extension initially to 31 March 2021 and then ultimately until 29 June 2021 at an enhanced interest rate and enhanced contractual return. The loan was repaid in full on 25 June 2021, earning a total return of approximately 13% IRR in Vietnamese Dong ("VND") for a money multiple of approximately 1.24x cost.

The portfolio's size and nimbleness as per our style of investment management means that we can navigate across the spectrum of company sizes from smaller private pre-IPO type opportunities to mid-cap and larger-cap companies. Over the past 12 months, we have benefitted from a tilt towards the banking sector that underpins many of our investment themes – industrialisation, urbanisation and the domestic consumer – but we may identify other opportunities in the year ahead. For example, as the vaccination plan becomes a reality, we expect some other stocks, such as consumer and logistics companies, could see increased visibility and growth. The portfolio liquidity is also at levels that can readily support the recently announced tender for 30% of the Company's shares. The Tender, announced on 3 August 2021 was approved on 31 August 2021, and payments of approximately USD 56.7m made to participating shareholders through our broker finnCap on 13 September 2021. We have taken advantage of the tender process to rebalance the portfolio and begin to position it for 2022.

Vietnam's Bigger Economic Picture

Vietnam's macro performance was also outstanding in 2020. The country was one of the few in the world to post positive GDP growth (at around 2.91%[1]), and it outperformed all of its ASEAN neighbours. Having successfully navigated the first waves of COVID-19, Vietnam ended 2020 on a very high note. As the chair of ASEAN, it entered into several noteworthy bilateral and multilateral trade arrangements during the last year, including free trade agreements with the European Union and the UK, as well as the regional comprehensive economic partnership ("RCEP"). Its economy expanded by 5.64% in the first half of 2021[1] and GDP growth for the full year of 2021 is forecast to be 3.5% - 4%, almost back on track with its standout 30-year growth record.

The Foreign Direct Investment ("FDI") trend also continues, with more than USD 20bn[1] disbursed in 2020 and a further USD 10bn disbursed in the six months to 30 June 2021. Much of this is for manufacturing export production playing to Vietnam's increasing competitive advantages across several sectors, including garments, agriculture, aquaculture and increasingly more hi-tech. The government is keen to increase the value-added level of Vietnam's manufacturing sector and has already helped cement the country as a leading hub for the manufacture of mobile phones, tablets and lap-top computers. As part of the government's initiatives to be a modern industrialised economy, it is also showing growing support for new technologies, such as Electric Vehicles ("EV"). VinFast, a local car manufacturer, has invested USD 3.5bn in an EV assembly plant. FoxCon, a significant investor in Vietnam for the assembly of components of Apple iPhones and accessories, also has aspirations in the EV space. It is possible that Vietnam could focus on creating hubs of specialised production for these and other growth sectors to complement the areas in which it has built up both capability and scale advantages over many years.

[1] *Source: General Statistics Office (GSO) https://www.gso.gov.vn/*

Investment Manager's Report (continued)

Vietnam's Bigger Economic Picture (continued)

2020 saw a record full year trade surplus of USD 20bn[1]. Exports grew by 28.4%[1] year-on-year ("YoY") in the first six months of 2021, but were eclipsed by the 36.1%[1] YoY increase in imports. This led to a USD 1.47bn[1] trade deficit as at 30 June 2021. The full calendar year is expected to see the country back in surplus mode, even though the Delta wave of COVID-19 has disrupted the country's manufacturing base with ongoing impacts on its supply chains. The country hopes to achieve greater levels of vaccination by September and is focusing on getting two thirds of the population jabbed by the end of 2021. The balance of payments remains strong and the country is forecast to maintain about USD 100bn in foreign reserves by the year-end.

The VND has remained relatively stable against the USD for the last couple of years, and in 2021 started to appreciate against it. Several times over the last few years Vietnam (along with several other open economies, including Singapore, Switzerland and Malaysia) have been accused of currency manipulation by the US. However, the most recent 'charges' against Vietnam were dropped in July 2021.

Inflation has raised its head in much of the world in part due to disruptions brought on by a combination of COVID-19, semiconductor shortages, shipping disruption in the Suez Canal and rising commodity prices. Although Vietnam's inflation has picked up and is expected to be about 4% this year, there is no undue concern at this stage.

Impact of COVID-19 Delta Variant

Vietnam attracted worldwide attention for its commendable coordination and swift response to limit the spread of the first waves of COVID-19. It successfully curtailed transport with those countries affected, putting people in well-organised quarantine and extending the school holidays with firm and transparent plans. Authorities also were proactive and innovative in the use of traditional and social media to inform the public. As a result, the initial outbreaks of COVID-19 in 2020 were put under tight control.

In April 2021, much of Asia experienced the start of the fourth wave of COVID-19 with the virulent Delta variant spreading rapidly. This time Vietnam was unable to avoid significant levels of infections and has seen cases rise to close to 630,000[2], with sadly more than 15,000[2] deaths to date. This is still much lower than countries of similar size in Europe but is a stark reminder of the difficulties in eradicating the threat of COVID-19 until large parts of the world are double vaccinated.

Ho Chi Minh City and Hanoi were put into periods of lockdown, and most of Vietnam's provinces faced disruptions. This has impacted manufacturing capability and factory productivity, with a knock-on effect in the region's supply chains. Unlike the US and the UK, where large volumes of vaccination doses were immediately procured, Vietnam initially had to rely on smaller volumes from COVAX and other direct donations from countries. Nevertheless, in the long-term, it hopes to be self-sufficient in vaccine production with manufacturing under licence and its own home-grown vaccine, which is undergoing late-stage trials. Currently, approximately 30% of the population has been vaccinated, in Ho Chi Minh City more than 90% of the adult population have received one dose, and 11% two doses[3]. For much of the last year Vietnam has put in place strict quarantine measures on incoming travellers. Not only has this severely impacted the country's USD 20bn[4] tourism industry, it has also delayed, and in some cases prevented, completion of M&A investments. This was the part of the reason for the delay in the refinancing of our investment in ABA. We do expect M&A to pick up significantly when the quarantine restrictions are eventually eased, though this could be some time away.

Responsible Investing

The Company is firmly focused on sustainability and has placed ESG principles at the heart of its investment criteria for over a decade, having become an early signatory to the UNPRI back in 2009. The Company received top grades in the report by the UNPRI in 2020.

Each part of ESG is equally important. For Vietnam, the 'S' has been at work in its society for many decades and the pandemic has further focused the efforts of several of our portfolio companies on harmonising staff, shareholders and society at large. 'G' has been a key pillar for VNH's investment approach and we have been at the forefront of advocacy and training for corporate governance at our investee companies since we were formed 15 years ago. Our CEO, Vu Quang Thinh, is a co-founder and member of

[1] Source: General Statistics Office (GSO) https://www.gso.gov.vn/

[2] https://covid19.gov.vn/

[3] https://tiemchungcovid19.gov.vn/portal (As at 14 September 2021)

[4] McKinsey, Mar 2021, https://www.mckinsey.com/featured-insights/asia-pacific/reimagining-tourism-how-vietnam-can-accelerate-travel-recovery

the board of the Vietnam Institute of Directors ("VIOD"), working as a lecturer for VIOD courses and at other institutions about how to improve corporate governance standards in Vietnam. We actively encourage our portfolio companies to give more attention to investor relations and transparent reporting, and have also been advising some of them specifically on how to get the balance right in aligning interests between staff and shareholders through the structure and implementation of employee share option plans. The 'E' aspect of ESG has rightly so taken centre stage in many investors' minds as well as those of many Vietnamese. On the climate front, the Investment Manager and the Company have both affirmed the Paris Agreement and the commitment to the Task Force for Climate-related Financial Disclosure. Dynam Capital has also joined the Asia Investor Group on Climate Change ("AIGCC") and intends to contribute more to the advocacy of climate risk reporting. More details of this can be found in the *Sustainability Report*.

Positioning and Core Themes

During the year, we sold 11 positions and added 13 new positions. We exited a few smaller companies and selectively added to our positions in larger companies, including our portfolio of banks, which is described below. Our main investment approach remains focused on: industrialisation *(best-in-class manufacturers, international logistics)*; urbanisation *(purposeful real estate, transportation, clean energy and clean water);* and domestic consumption and its enablers *(sustainable retail, domestic logistics, products and finance).* These themes are inter-linked, as industrialisation and urbanisation foster further robust growth in GDP and domestic consumption, and are all underpinned by the banking sector that is described above.

Industrialisation

Vietnam's pace of industrialisation continues to progress as it has done dramatically over the past 25 years. This year, Vietnam has overtaken Bangladesh to become the second largest garment producer in the world. It is also very well-known as a major producer of footwear, furniture, agriculture and aquaculture, and less well-known but an increasingly key supplier of hi-tech hardware and software to customers around the world.

Although in the past we have invested in manufacturers, including garment companies and seafood producers, we have chosen to obtain most of the exposure to these themes through the business-to-business 'linkages', for example, construction materials, industrial parks and logistic companies. These typically have a higher quality of earnings and higher return on equity than the individual exporters. In addition to HPG, as described above, we have been building a position in Gemadept, ("GMD"), which has 3.9% NAV and is a leading port and logistics company having invested in a number of industrial park developers.

Urbanisation

Vietnam continues to experience a fast pace of urbanisation. According to a UN forecast[1], its urban population rose from 20% in 1990 to 36% in 2018 and is expected to reach 44% by 2030. This growth has necessitated the construction of roads, bridges, ports, new townships and an increasing demand for modern apartments and landed properties. This will be accelerated when the first modern metro systems become operational in Ho Chi Minh City and Hanoi, which is expected to commence in early 2022. VNH has 16% exposure to Vietnam's dynamic real estate market, including its key holdings in Vinhomes, 6.1% of NAV, and Khang Dien House, 4.6% of NAV.

Domestic Consumerism

Vietnam's 'middle income' population is projected to expand at a rate of 18%[2] annually, adding a further 35 million people to this group of consumers by 2030. The nature of the consumer continues to evolve. In the 1990s, for a brand to be really successful it had to be a foreign brand and manufactured overseas. By the 2000s, locally manufactured global brands continue to dominate, however, several niche local brands developed locally and owned by Vietnamese businesses in sectors ranging from shampoos, soft drinks, sauces and condiments to baked goods and coffee started to garner strong local appeal. In a recent survey, it appears that in the 2020s Vietnamese consumers now prefer and trust home-grown brands over foreign brands.

The portfolio has approximately 10% exposure to the domestic retail sector, including Phu Nhuan Jewelry ("PNJ"), 4.9% of NAV, and Mobile World Group ("MWG"), 5.0% of NAV. The physical retail components of both these companies will be impacted by prolonged lockdowns, however, the digital online portions of these businesses are performing extremely well. These well-managed businesses could emerge from the pandemic with greater

[1] *https://population.un.org/wup/Publications/Files/WUP2018-Highlights.pdf*
[2] *http://vids.mpi.gov.vn/Includes/NewsDetail/12_2016/dt_11220161027_9781464808241.pdf*

Investment Manager's Report (continued)

Domestic Consumerism (continued)

market share, as they can survive and grow, whereas some smaller independent retailers without the scale to be both in-store and on-line will suffer.

Banks

VNH's allocation to banks has risen from 7% at 31 December 2019 to 16% at 30 June 2020 and to 31% at 30 June 2021. Our increased allocation to banks was research driven, and has paid off with significant contribution from the sector and the underlying holdings to the portfolio returns for this year. As mentioned in *Liquidity*, VNH has also increased the median portfolio market capitalisation in this respect. Banks benefitted from resilient Net Interest Margins ("NIM"), controlled credit growth, product innovation, as well as new customer acquisitions, controlled non-performing loans and reversals of over-provisioning. Many of our banks enjoyed earnings per share growth of more than 100% during the year, and saw their share prices rally. We expect provisioning to increase, and anticipate an increase in non-performing loans over the next six months. As such, we have taken some profit in the sector. Key portfolio names in the portfolio include Vietin Bank ("CTG"), 9.6% of NAV; VP Bank ("VPB"), 7.3% of NAV; Military Bank ("MBB"), 6.4% of NAV; and Sacombank ("STB"), 4.5% of NAV. CTG, VPB and MBB are described more fully in the *Top Five Portfolio Companies* section.

The banking sector is also bound to benefit further from digitalisation, and we are seeing many players in the e-wallet and e-payment space raise significant amounts of private equity and venture capital funding as a result. No doubt some of these may emerge as unicorns in their own right, but the established traditional banks have well-developed distribution networks and strong capital bases, which makes them poised to adapt to new banking methods. More than a decade ago many of the banks in Vietnam welcomed strategic investors into their folds. We see a new wave of this happening as some of the strategic players face challenges in their own home markets and have sold their non-core overseas investments. 15 years ago the strategic investors were European and Australasian banking giants, but now they are more likely to be Japanese, Korean and Taiwanese. These three North Asian countries are now significant investors in Vietnam's manufacturing-for-export story and are likely to benefit from the service and consumer sector as well. Again, banking is a key foundation of this.

Outlook

COVID-19 remains as a significant risk to Vietnam in the short-term, particularly as the vaccination rollout is in the early stages. Increasing numbers of infections will lead to further restrictions that may limit certain activities, curtail industrial productivity and contribute to supply-chain imbalances. International tourism has clearly evaporated over the last year and in recent months domestic tourism has also been significantly impacted. Success in getting a significant part of the population vaccinated will be a key determinant in maintaining rapid economic growth and further boosting domestic consumer confidence, which was very high at the start of 2021 but has deteriorated as the fourth wave took hold in Q2 2021.

We think the stubborn nature of the Delta variant will mean that Q3 and Q4 2021 corporate earnings are inevitably weakened. That said, we expect Vietnam to bounce back strongly in 2022, and think domestic consumption will drive the growth of the economy moving forward. The portfolio in 2022 may be different to that in 2021 in terms of some of the key names and themes, but we are targeting EPS growth of more than 20% across the portfolio and remain committed to maintaining our significantly lower carbon footprint than the equivalent index.

As mentioned in last year's annual report, while our focus remains on industrialisation, urbanisation, and domestic consumption, we also will be eyeing emerging themes coming out of the pandemic, for example, opportunities stemming from shifts in consumer behaviour, rapid digital transformation and Vietnam's fast-growing e-commerce environment. Our aim is to position the portfolio for growth within a three to five-year investment horizon. This means looking through short-term noises and volatility in search of longer-term value derived from robust compounding growth of well-managed companies with proven sustainable business strategies.

Top Ten Companies by NAV as at 30 June 2021 (and as at 30 June 2020)

Top 10 companies as at 30 June 2021	**Sector**	**% NAV**
FPT Corporation	Telecommunications	11.0%
Vietin Bank	Banks	9.6%
Hoa Phat Group JSC	Industrial Goods & Services	9.4%
VP Bank	Banks	7.3%
Military Commercial Bank JSC	Banks	6.4%
Vinhomes	Real Estate	6.1%
Mobile World Investment Corp	Retail	5.0%
Phu Nhuan Jewelry JSC	Retail	4.9%
Khang Dien House	Real Estate	4.6%
Sacombank	Banks	4.5%
Total		**68.8%**

Top 10 companies as at 30 June 2020	**Sector**	**% NAV**
FPT Corporation	Telecommunications	14.3%
Hoa Phat Group JSC	Industrial Goods & Services	6.9%
Mobile World Investment Corp	Retail	6.9%
Military Commercial Bank JSC	Banks	6.3%
Khang Dien House	Real Estate	6.3%
Phu Nhuan Jewelry JSC	Retail	5.6%
ABA Cooltrans	Industrial Goods & Services	5.1%
Viettel Post Joint Stock Corp	Industrial Goods & Services	4.8%
Dat Xanh Real Estate	Real Estate	4.4%
Bank for Foreign Trade of Vietnam	Banks	4.2%
Total		**64.8%**

Dynam Capital, Ltd
30 September 2021

Top Five Portfolio Companies

FPT Corp ("FPT")

As at 30 June 2021

VietNam Holding's investment

Date of first investment	8 January 2007
Ownership	0.6%
Percentage of NAV	11.0%
Internal rate of return (annualised)	26.7%

Share information

Stock Exchange	HOSE
Date of listing	13 December 2006
Market capitalisation (USD million)	3,469
Free float	77.7%
Foreign ownership	49.0%

Financial indicators (as at 31 December)	2020	2019
Capital (USD million)	339.6	292.7
Revenue (USD million)	1,292.3	1,196.1
EBIT (USD million)	199.5	179.0
NPAT (USD million)	191.6	168.8
Diluted EPS (VND)	4,120	3,667
Revenue growth	7.6%	19.4%
NPAT growth	13.1%	21.0%
Gross margin	39.6%	38.6%
EBIT margin	15.4%	15.0%
ROE	25.0%	24.8%
D/E	0.68	0.47

About the Company

Founded in 1988, FPT is a software developer, provider of IT and telecom services, including broadband internet, and a distributor and retailer of IT and communication products. The company has held the leading position in the local IT industry in Vietnam since 1996, and has been applauded for its educational programmes providing learning activities for more than 100,000 people at a range of educational levels.

FPT has 48 offices in 26 countries with more than 100 clients in the Fortune 500. FPT has transformed itself from an IT service company to an end-to-end digital transformation service provider, and its digital transformation services' revenue Compound Annual Growth Rate ("CAGR") reached 31% during the period 2017 to 2020. The company also owns telecoms infrastructure with a main North-South link, which has recently been upgraded from copper wires to fiber-optic cables. The company continues to focus on expanding its overseas markets.

At 31 December 2020, FPT had seven subsidiaries and employs 30,651 employees, including 18,728 engineers and technology experts.

Recent Developments

FPT delivered strong business results in 2020 with revenue and profit after tax of USD 1,292.3m and USD 191.6m, a growth of 7.6% and 13.1% YoY, respectively. One of the key contributions to growth was the telecom segment, with revenue and profit before tax growing at a rate of 11% and 22.2% respectively.

The global IT services segment continued to be a key driver of FPT and contributed 40.2% of the company's 2020 revenue, with the Asia Pacific ("APAC") market delivering growth of 28% in 2020. FPT also enjoyed growing demand for 'Cloud', 'Internet of Things', and 'Low code' technology. As a result, digital transformation revenue increased by 31% last year. Moreover, contracted revenue posted a 23% growth with 38.5% increase in larger contracts than before.

Sustainability Strategy

FPT has developed a sustainable development orientation strategy to ensure the balance of three factors: economic development, community support, and environmental protection. In terms of objectives and activities, FPT referred to the National Action Plan to Implement the 2030 Agenda for Sustainable Development, the Document of Our World Transformation and GRI Sustainability Reporting Standards. In 2020, FPT implemented action plans to assist stakeholders in minimising COVID-19's effect and provided infrastructure and support for isolation areas.

ESG Achievements

FPT places a strong focus on sustainability by building their action plan in alignment with the UN's 17 Sustainable Development Goals ("SDGs") and has made significant contributions to the development of society through its educational support programmes.

The company has implemented specific solutions for environmental protection and resource preservation: complying with proper regulations on environment and natural resources protection; building eco-friendly office systems; utilising technology to reduce energy consumption; raising staff awareness on environmental issues; and integrating sustainability in the supply chain and selection of service providers.

FPT is one of the top three publicly listed companies in Vietnam recognised for corporate governance by the ASEAN Capital Market Forum, and in 2020 it became the only Vietnamese enterprise to win a Silver Stevie award for The Most Valuable Corporate Response to COVID-19.

ESG Challenges

FPT has identified critical issues for its sustainable development based on stakeholder consultation and in reference to the UN's 17 SDGs. The key critical issues are: mitigating negative impacts of the COVID-19 pandemic, promoting national digital transformation, investing in education and fostering the next generation and environmental protection. FPT has continued to develop a risk management framework to manage key social and environmental risks.

Hoa Phat Group ("HPG")

As at 30 June 2021

VietNam Holding's investment

Date of first investment	20 June 2013
Ownership	0.2%
Percentage of NAV	9.4%
Internal rate of return (annualised)	40.1%

Share information

Stock Exchange	HOSE
Date of listing	15 November 2007
Market capitalisation (USD million)	10,007
Free float	54.0%
Foreign ownership	26.0%

Financial indicators (as at 31 December)	**2020**	**2019**
Capital (USD million)	1,435.4	1,191.5
Revenues (USD million)	3,904.2	2,747.1
EBIT (USD million)	741.8	420.5
NPAT (USD million)	585.1	327.0
Diluted EPS (VND)	3,846	2,074
Revenue growth	41.6%	14.0%
NPAT growth	78.2%	-11.9%
Gross margin	21.0%	17.6%
EBIT margin	19.0%	15.3%
ROE	25.2%	17.1%
D/E	0.91	0.77

About the Company

Founded 29 years ago as a construction machine and equipment trading company, HPG has become one of the largest companies in Vietnam with four main business lines, including Iron and Steel, Steel Products, Agriculture and Real Estate. Steelmaking is still the primary business contributing 84% and 82% of the Group's revenue and profit, respectively.

With total crude steel output of 8 million tons per year, HPG surpassed Taiwan's Formosa for the first time to hold the No.1 position in construction steel and steel pipe industry in Vietnam with market shares of 32.5% and 31.7%, respectively, throughout the last four months of 2020. HPG is 48th in the Top 50 largest global crude steel manufacturers, according to World Steel 2020, and is the largest steelmaker in Southeast Asia[1].

As of 31 December 2020, HPG has 63 subsidiaries with a workforce of 25,428.

Recent Developments

HPG ended 2020 with revenue of USD 3,904m and net profit after tax of USD 585m, an impressive growth of 41.6% YoY and 78.2% YoY, respectively. Throughout the year, HPG produced 3.4 million tons of construction steel (+22.5% YoY) with over 0.54 million tons exported to 11 countries around the world. The company officially put into operation its third blast furnace in August 2020 and launched a hot rolled coil ("HRC") facility in November 2020. HPG plans to further upgrade its HRC capacity by expanding its Dung Quat Steel Integrated Complex that is expected to finish in 2024.

In 2020, the agriculture business achieved revenue and profit growth of 31.9% and 189.6% respectively. Currently, HPG holds more than 50% market share in the supply of Australian beef in Vietnam and is also the leading producer of chicken eggs in the north of the country.

Sustainability Strategy

Being aware of the significant environmental impact from steelmaking, HPG follows the "green" steel production solutions by investing in equipment and technologies to control environmental issues and treat waste and exhaust gases. HPG has also implemented digital transformation for its business activities management by ERP-SAP, ERP-Bravo, Smart MES solutions to improve its efficiency.

ESG Achievements

Steel production is categorised as a carbon-intensive industry due to its reliance on carbon-based fuels and reductants. HPG has invested hundreds of millions of US dollars in equipment and technology for environmental monitoring to keep pollutants under control and within national standards. The factories of HPG apply clean coke production technology and waste heat recovery systems to lower carbon emissions. HPG provides 80% of its own electricity for steel production, enhanced by heat recovery from its own coke-fired thermoelectric plants, and only needs to buy 20% from EVN.

In 2020, HPG made further improvements in digitalising its management system to better ensure product safety and manage its energy consumption data.

ESG Challenges

With the main business in manufacturing steel and steel pipe, mitigating the impacts of climate change is always a top challenge for HPG. Even though HPG is compliant with all local environmental standards, the company needs to aim higher in terms of applying international industry standards for its business units. In addition, the company is required to disclose the information about its total carbon emissions and comparing these with sector benchmarks and international standards.

[1] *HPG 2020 Annual Report*

Top Five Portfolio Companies (continued)

Vietinbank JSC ("CTG")

As at 30 June 2021

VietNam Holding's investment

Date of first investment	28 February 2020
Ownership	0.2%
Percentage of NAV	9.6%
Internal rate of return (annualised)	110.2%

Share information

Stock Exchange	HOSE
Date of listing	15 July 2009
Market capitalisation (USD million)	8,524
Free float	35.5%
Foreign ownership	25%

Financial indicators (as at 31 December)	**2020**	**2019**
Capital (USD million)	1,613.1	1,606.8
Total Operating Income (USD million)	1,963.3	1,748.6
NPAT (USD million)	596.0	409.0
EPS (VND)	3,678	1,966
TOI growth	11.8%	42.4%
NPAT growth	45.2%	79.6%
ROA	1.3%	1.0%
ROE	16.9%	13.1%
CAR	>9%	>9%
NPL	0.9%	1.2%
Equity multiplier	15.7	16.0

About the Company

Established in 1988, Vietinbank ("CTG") is one of four state-owned commercial banks in Vietnam and is ranked the third largest bank by assets in the country. It held an IPO in December 2008 and listed on the HOSE in 2009. In 2011, it became the first local bank to have a strategic foreign partner after selling 10% of stake to IFC. In 2013, it sold 19.73% to another strategic foreign partner, Japan's Bank Tokyo Mitsubishi UFG, which is now MUFG Bank.

In 2020, CTG completed the Restructuring Plan for bad debts from the period of 2016-2020. The successful completion created a solid foundation on which the bank plans to build and implement its development strategy for the next ten years (2021-2030).

CTG was listed in the "Top 300 Most valuable bank brands worldwide" by Brand Finance for the second consecutive year and in the "Top 50 leading brands in Vietnam in 2020" by Forbes Vietnam.

Recent Developments

In 2020, CTG posted a consolidated NPAT of USD 596 million, representing an increase of 45.2% YoY. Net interest incomes reached USD 1,541m, up 7.2% YoY driven by credit growth of 8% YoY. Non-interest income reached USD 422m, accounting for 21.5% of total operating income, increasing 33.0% YoY. Operating expenses were effectively controlled with a Cost to Income Ratio ("CIR") of 35.5%, its lowest over the last 10 years.

Non-performing loans ("NPL") were well managed at a ratio of 0.9% and NPL coverage ratio of 132%, which was much higher than in 2019. In 2020, the bank bought back the entire issue of special bonds (VAMC bonds) valued at USD 561m, helping to optimise its balance sheet structure and improving asset quality.

Sustainability Strategy

CTG complies with all legal requirements on environmental protection, such as the Law on Environmental Protection 2014 and Decree No. 18/2015/ND-CP issued by the Government or Circular No. 43/2015/TT-BTNMT guiding the environmental status report and management of environmental monitoring data. In 2020, CTG organised the "Joining hands to fight against plastic waste" programme. The bank also implemented various measures on energy saving, which resulted in 3% reduction in total annual energy consumption.

CTG actively developed policies and products to create a flexible mechanism in financing green projects.

ESG Achievements

In 2020, CTG met its Basel II capital adequacy ratio requirements and officially adopted Basel II standards at the beginning of 2021. This helps it to catch up with other state-owned banks and private banks.

As one of the leading state-owned commercial banks in Vietnam, CTG has been selected by agencies and entities, including as the serving bank for the State Bank of Vietnam and as the on-lending bank for many ODA projects, and for foreign concessional loans from international financial and credit institutions as well as governments. CTG has recently conducted research into the green capital market as well as a feasibility study into green bond issuance.

In 2020, for the third consecutive year, CTG received the "Leading Contact Center Vietnam 2020" award by the Global Banking and Financial Review for its customer support system.

ESG Challenges

CTG could show stronger commitment to sustainability by disclosing its policy and procedures to identify and manage environmental and social risks of its clients and investees. Furthermore, the bank should embed the UN's 17 SDGs in its development strategy and sustainability reporting.

Military Bank ("MBB")

As at 30 June 2021

VietNam Holding's investment

Date of first investment	25 May 2017
Ownership	0.2%
Percentage of NAV	6.4%
Internal rate of return (annualised)	21.3%

Share information

Stock Exchange	HOSE
Date of listing	1 November 2011
Market capitalisation (USD million)	5,270
Free float	65.8%
Foreign ownership	21%

Financial indicators (as at 31 December)	**2020**	**2019**
Capital (USD million)	1,212.5	1,023.9
Total Operating Income (USD million)	1,185.4	1,063.8
NPAT (USD million)	372.8	348.2
EPS (VND)	2,993	2,758
TOI growth	11.0%	26.2%
NPAT growth	6.7%	30.4%
ROA	1.9%	2.1%
ROE	19.1%	21.8%
CAR	10.4%	10.1%
NPL	1.1%	1.2%
Equity multiplier	9.9	10.3

About the Company

Founded in 1994, Military Bank ("MBB") is the sixth largest bank in Vietnam by total assets. It held an IPO in 2004 and listed its shares on the HOSE in November 2011. After 26 years of development, MBB has affirmed its position as one of the leading banks in Vietnam with sound sustainable development practices and a strong reputation. The bank operates as a versatile financial group with six subsidiaries offering a full range of services, including banking, securities, consumer finance, life insurance, non-life insurance, fund management and asset management.

The effort of shifting its focus to the retail segment has earned positive results. MBB has become one the most profitable banks in the sector. The bank has scale advantages through its extensive branch network and low funding cost given its high CASA ratio, due in part to its close links to its large corporate enterprise clients and major shareholders. Despite rapid business expansion, MBB has consistently committed to its prudent asset-quality management.

MBB has won many accolades, including "Top 5 in the Vietnam Bank system", "Outstanding Bank for Small and Medium Enterprises" and "Outstanding Bank for Green Credit" from International Data Group (IDG).

Recent Developments

In 2020, MBB's consolidated NPAT was USD 372.8m, increasing by 6.7% YoY. Overall total credit grew 23% YoY, with retail loans, 44% of total credit, growing by 29% YoY. MBB's subsidiaries performed well with total profit before taxes in 2020 of USD 61m, growing 19% YoY, while maintaining good market positions.

The bank was one of the most efficient lenders in the industry with a Return on Equity ("ROE") of 19.1% and Return on Assets ("ROA") of 1.9%. Its NPL ratio remained low at 1.1%. In 2020, MBB cut lending interest rates five times to support its customers affected by the COVID-19 pandemic, which translated to around USD 86m, or 10% of its interest income.

Sustainability Strategy

MBB has carried out guidelines from the Government and the State Bank of Vietnam regarding environment protection, social responsibility, social risk management in credit activities and green growth. In the credit process, MBB has integrated findings from environmental and social impact assessments into the processes for appraisal, supervision and monitoring.

MBB has prioritised funding, with preferential interest rates and conditions, for green projects, agriculture and forestry projects, environmental and social projects, high technology and safe agriculture programmes. In addition, MBB complies with the State Bank's regulations on lending to prioritised sectors including agriculture, export, supporting industries, small and medium-sized enterprises (SMEs) and high technology businesses.

ESG Achievements

MBB is one of the most prudent and conservative banks in the industry. It was among ten pilot banks to start implementing Basel II in 2014, officially integrating these standards in 2019 and fully applying the Basel II requirements in 2020.

MBB was presented "the Outstanding Bank 2020 for Green Credit Award" for its pioneering role in green credit promotion and contributions to the country's sustainable development and environmental protection commitments.

ESG Challenges

MBB faces the competitive challenges of maintaining loan quality across its growing loan book and embedding ESG into its strategy in a more robust manner. In 2020, MBB introduced its sustainable development framework that clearly outlined key opportunities and challenges in terms of corporate governance and business ethics, emission reduction, safety management and staff's wellbeing, environment, community and social responsibilities.

Top Five Portfolio Companies (continued)

VP Bank ("VPB")

As at 30 June 2021

VietNam Holding's investment

Date of first investment	27 July 2017
Ownership	0.2%
Percentage of NAV	7.3%
Internal rate of return (annualised)	104.8%

Share information

Stock Exchange	HOSE
Date of listing	18 July 2017
Market capitalisation (USD million)	7,219
Free float	70.0%
Foreign ownership	15%

Financial indicators (as at 31 December)	2020	2019
Capital (USD million)	1,096.1	1,091.8
Total Operating Income (USD million)	1,691.0	1,568.9
NPAT (USD million)	451.2	356.5
EPS (VND)	4,271	3,376
TOI growth	7.4%	17.0%
NPAT growth	26.1%	12.3%
ROA	2.6%	2.4%
ROE	22.0%	21.5%
CAR	11.7%	11.1%
NPL	2.9%	3.0%
Equity multiplier	7.9	8.9

About the Company

Established in 1993, VP Bank ("VPB") was one of the earliest-established private banks in Vietnam. In 2010, the bank set up the Consumer Credit Bank of Vietnam company, later known as FE Credit, which has become the leader in the consumer finance sector with a market share of around 50%. In 2017, the bank was officially listed on the HOSE and in the same year signed an exclusive insurance distribution contract with AIA for a term of 15 years.

VPB was the first Vietnamese private bank to be listed among "Top 500 Most Valuable Global Banking Brands". It was awarded "The Best Company to Work for in Asia" as voted by HR Asia. It also was ranked in the "Top 10 Vietnam's Most Profitable Private Enterprises" by Vietnam Report and for three consecutive years achieved the award for "Outstanding digital transformation bank" by IDG. In addition, it was honored by the Asian Banker (Singapore) for "The Achievement in Liquidity Risk Management".

Recent Developments

In 2020, VPB posted the highest total operating income ("TOI") among private banks of USD 1,691m, up 7.4% YoY (inclusive of FE Credit's TOI of USD 790m). The consolidated NPAT increased 26.1% YoY to USD 451.2m. Its ROA and ROE was 2.6% and 22.0% respectively, one of the best among commercial banks.

Operating in a difficult environment due to the pandemic, VPB managed to enhance its asset quality with the consolidated NPL ratio of below 3%. The capital adequacy ratio (CAR) under the Basel II remained at high level of 11.7% in 2020, comparing to the State Bank of Vietnam ("SBV")'s minimum requirement of 8%.

In 2020, the bank reduced interest rates for more than 110,000 customers over a combined total credit amount of USD 2,160m, equivalent to 15% of its total loan portfolio. Most of the loans restructured as a result of the COVID-19 pandemic have become performing.

VPB was allowed by the SBV to apply Basel II in Apr 2019. In early 2020, the bank was one of three banks in Vietnam to fully adopt the Basel II standards.

In April 2021, VPB reached an agreement with Sumitomo Mitsui Financial Group ("SMFG") to sell 49% of the charter capital of VPBank Finance Company Limited (FE Credit) at a valuation of USD 2.8bn. SMBC Consumer Finance Company, a wholly owned subsidiary of SMFG, is the legal entity to buy this stake. Via the deal, FE Credit is expected to receive financial support, know-how, and enhanced corporate governance from its new partner, which is a leading consumer finance company in Japan. In addition, the proceeds from the deal would enhance VPB's capital strength and allow it to continue expanding its operations.

Sustainability Strategy

VPB has developed policies and active plans to solve social, environmental and climate challenges. The bank's Environment and Social Framework in credit activities complies with national laws and IFC's performance standards.

VPB offers green loans to promote sustainable investment and industries that contribute to environmental protection and the fight against climate change. The bank has cooperated with international partners to develop and implement a Green Credit Programme sized up to USD 212.5m to encourage customers to invest more in green projects.

ESG Achievements

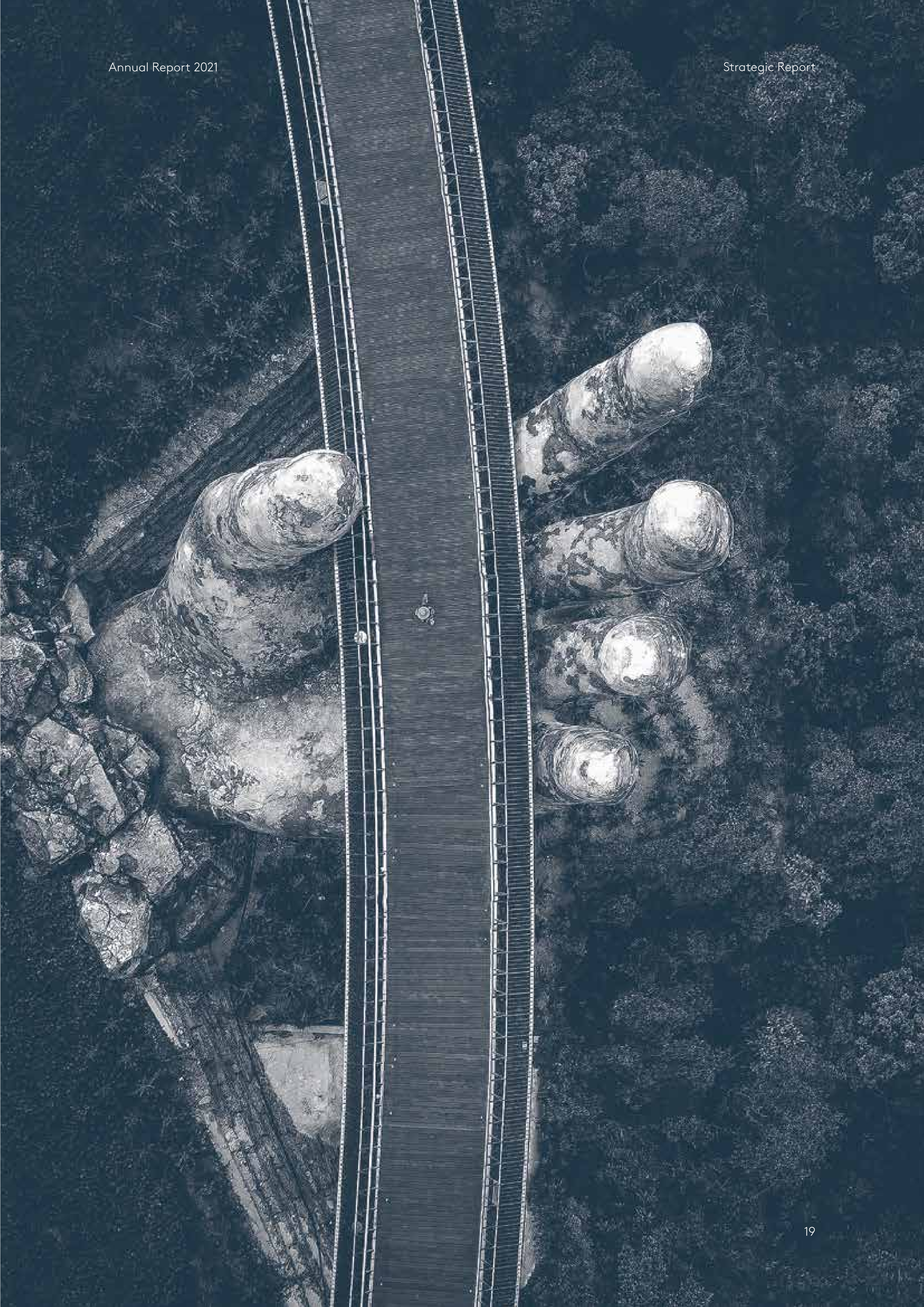
VPB is one of the best banks in terms of public information disclosures in parallel with its Basel II requirements. It is one of only a few banks that prepares IFRS financial statements in addition to Vietnam Standards on Auditing ("VSA") financial reports, ahead of the deadline in 2025.

In 2020, VPB has disbursed over USD 65m for green projects in the fields of renewable energy, products and manufacturing technology that are adaptive to the clean transport, sustainable water management and wastewater treatment, pollution prevention and sustainable agriculture and forestry. It has initiated projects that deploy financial solutions to support vulnerable groups, creating positive social value and contributing to a fair and inclusive economic recovery. In 2020, VPB remained in the top 20 companies qualified for the HOSE's Vietnam Sustainability Index.

In 2020, VPB contributed USD 2m in support of communities and launched its "Household Business Academy" to help 12,500 household businesses overcome difficulties.

ESG Challenges

VPB could improve its policy and procedures for data privacy and customer protection as the bank puts a strong focus on the retail banking division and consumer finance.



Sustainability Report

As a responsible investor we are committed to do more, measure more and report more.

Vietnam's effective handling of COVID-19 throughout 2020 and early 2021 helped the country become one of the best performing economies in the world, with a GDP growth of 2.8% in 2020 and 5.6% in the first half of 2021. Despite a harsh fourth COVID-19 wave, the full year forecast of 6% GDP growth is back to the 30-year streak which started when Vietnam launched its 'Doi Moi' policy of economic reforms designed to create a socialist-oriented market economy.

Over the last 30 years, Vietnam has attracted an increasing amount of Foreign Direct Investment, further boosted by the recent trade war rhetoric between the US and China that resulted in tariffs imposed on many Chinese goods, ultimately making Vietnam a preferred alternative manufacturing destination. The first waves of the pandemic in 2020 accelerated this trend, with many foreign companies allocating more of their production capacity to Vietnam. In addition to manufacturing for export, the country's economic growth has been propelled by surging domestic demand from its relatively young population (half of the 100m people in Vietnam are under 35 years of age) and the consequential expansion of the middle class (now accounting for an estimated 13% of the nation's population).

In March 2021, the incoming Politburo and National Assembly reaffirmed Vietnam's desire to become not only a more modern, industrialised economy, but also a key part of the global supply chain, and to get more of its working citizens firmly in the middle-income bracket. This will further facilitate the momentum towards greater urbanisation: Vietnam's urbanisation levels are currently less than 40% - levels seen in Europe seventy years ago.

However, as in many developing countries, rapid urbanisation and industrialisation have had detrimental impacts on the environment and natural assets. Climate change, urban solid waste and air pollution are key environmental issues that the Vietnamese government is keen to address over the next few years. In fact, 2020 witnessed many welcomed improvements in Vietnamese legislation associated with ESG issues. The Ministry of Finance's Circular 96/2020/TT-BTC on information disclosure issued in November 2020 requires listed companies to include ESG reporting, with total direct and indirect greenhouse gas ("GHG") emissions stated in their annual reports. The National Assembly's revised Law on Environmental Protection No. 72/2020/QH14 was also passed in November 2020 and includes more detailed provisions on climate change and solid waste management, promoting climate change mitigation, regulating the roadmap for Vietnam's pledge to reduce GHG and bringing in legislation of the extended producer responsibility towards circular economy development. Over the past year, Vietnam also saw a remarkable increase in the adoption of renewable energy, with 11.1 GW of solar PV added. As a result, the country is now ranked 3rd globally in terms of new renewable energy capacity additions.

As a long-term, responsible investor, we are committed to incorporating sustainability requirements into our selection criteria. In our view, attention to ESG issues is at the core of responsible investing, positively influencing investment returns and helping to mitigate portfolio risks in the long-term. We are focused on fully integrating ESG standards into our core processes and choose to invest only in enterprises which meet our requirements in both financial and ESG matters.

The Investment Manager's due diligence procedures identifies and excludes any controversial business practices and that includes any dealing in tobacco, firearms, distilled alcohol and gambling. The screening process also excludes companies engaged in pollution, child labour, bribery, or other damaging business practices.

To advance our commitment to responsible investment, we have identified the key areas that we need to continue to progress on in the next two years:

- Measuring and keeping track of our portfolio's carbon footprint to identify carbon-intensive sectors and define our strategy for environmentally-conscious investment, including the integration of climate risks and opportunities into our broader risk management framework;

- Integrating the UN's 17 Sustainable Development Goals ("SDGs") into our ESG analysis. We have started by mapping the products, services, and operational conduct of investee companies with the 17 SDGs and set the strategy to shift capital away from business activities, strategy and operational involvement not aligned with achieving the SDGs;
- Continuously improving our ESG Management System with reference to the UNPRI guidelines, best practices from our peers and industry guidelines; and
- Advocating the adoption of ESG standards and best practices among the Vietnamese business community, with a strong focus on bettering corporate governance and ESG reporting.

ESG Management System

We recognise that ESG is a 'journey' for companies, with some at more mature stages than others. We consider ourselves patient investors in that respect and, indeed, continue to play an important part in supporting our portfolio companies on various ESG levels.

Our ESG Management System is a customised set of policies, procedures, tools and reporting criteria designed to identify, assess, manage and disclose information on ESG matters. We use this to help us both choose the right risks and to take advantage of the opportunities that they present. Plus, in considering the activities of portfolio companies, ensure that our decisions lead to more positive impacts.

The ESG Management System has been developed by our Investment Manager to:

- integrate ESG issues into every step of the investment process: initial screening, due diligence, investment decision making and monitoring;
- provide a framework for monitoring and reporting on ESG aspects to stakeholders; and
- work in partnership with our portfolio companies to help them identify and implement ESG opportunities, creating sustainable enhancement to their overall financial performance.

Active Ownership 2.0

As a signatory of the UNPRI, we strictly adhere to Active Ownership 2.0 – an aspirational standard for improved stewardship developed by the UNPRI. The three central elements to an Active Ownership 2.0 approach include:

- prioritising outcomes to pursue and achieve positive real-world goals, not inputs or processes;
- constantly increasing our focus on common goals at the economy- or society-wide scale (e.g., climate change awareness and reporting, responsible manufacturing processes and inclusiveness), and less on the risks and returns of an individual holding; and
- enhancing collaborative action among investors and service providers to achieve collective goals across sectors.

Climate Change and the ESG Agenda

According to the United Nations Framework Convention on Climate Change ("UNFCCC"), Vietnam is one of the top five countries most vulnerable to climate change. In 2020, Vietnam completed an updated Nationally Determined Contribution ("NDC") with plans to cut 9% of total GHG emissions by 2030 as a result of using domestic resources and up to 27% if it receives international support through bilateral and multilateral co-operation under the Paris Agreement.

As we focus solely on the Vietnamese market, we are strongly aware of the climate-related risks and opportunities presented to the country and our investee companies, and believe this is reflected in our long-term view in selecting investments. As a supporter of the Paris Agreement and the TCFD, we also believe that it takes a collective role of governments, businesses, and investors to truly address climate change and its socioeconomic effects. As part of our risk management strategy and potential contribution in developing solutions, we will seek to positively contribute to these efforts through our investment processes, engagement activities and collaboration with others.

Sustainability Report (continued)

Climate Change and the ESG Agenda (continued)

This is the first year that VNH applies the TCFD recommendations to include climate-related disclosures in our sustainability report. The recommendations are structured around four thematic areas that represent core elements of how organisations operate: governance, strategy, risk management, and metrics and targets. Our response to the core elements of the TCFD recommendations are summarised in the below table.

Governance	- The Board of VNH has publicly given support to the Paris Agreement and the TCFD. - Established in June 2020, the ESG Committee established has been working closely with the Investment Manager to incorporate climate-related risks and opportunities into the investment process and overall risk management. - Sustainability matters are incorporated in reports to investors. In addition, the Chairman of the ESG Committee and directors of the Investment Manager have attended cross-industry seminars and training in the UK and Asia on climate and sustainability issues and are advocating for greater adherence and involvement from peers. - The Investment Manager promotes and supports climate initiatives through industry bodies such as the Association of Investment Companies ("AIC"), the Singapore Institute of Directors and Asia Investor Group on Climate Change ("AIGCC").
Strategy	- In the short and medium term (2021-2025), as Vietnam companies are at a very early stage to incorporate climate change into their business strategies, we continue to prioritise our engagement strategy to raise portfolio companies' awareness of climate change, the energy transition, guidelines to measure their total carbon emissions and adoption of low-carbon technology. - We will identify the physical and transition risks of the sectors/industries that we target around the core investment themes: industrialisation, urbanisation, and the domestic consumer. Within the industry/sector, analyse and prioritise the best-in-class companies in terms of adoption of technology/solutions to lower carbon emissions and disclosures on carbon footprint in their annual report. We will positively favour companies showing strong climate-resilient strategies. We will measure and report our portfolio carbon-footprint and seek to be 20% below the equivalent index levels. - In the long term (from 2025 onwards), and with shareholder approval, we will set a firm target percentage in our portfolio for low-carbon investment.
Risk Management	- The ESG Committee works closely with the Audit and Risk Committee and the Investment Manager to incorporate climate risks into the overall risk management framework (see pages 26-28). - Climate risk assessment is integrated by the Investment Manager into all stages of investment processes (initial screening, due diligence, investment decision and monitoring). The risks are regularly discussed during meetings of the Investment Committee and are managed at portfolio level.
Metrics and Targets	- Portfolio carbon footprint is the key metric that we are using to measure and keep track of our progress towards reducing carbon emissions. Our target is to keep the portfolio carbon footprint at 20% below the Vietnam All share Index ("VNAS"). - Joining in collaborative engagement to hold the rise in global average temperature to below 2 degrees Celsius above pre-industrial levels. The target is measured by the number of climate initiatives that we support (through communications, policy dialogue, company engagement, networking etc.). - From 2022 onwards, when there is more validated data from our portfolio companies, we will conduct more quantitative analysis to assess the climate risk exposure of the portfolio and how these risks are translated into financial impacts (e.g. potential financial loss from physical risks, carbon price and its impacts on business profits). We will also identify businesses and investment opportunities that benefit from the transition risk process.

Portfolio Carbon Footprint

VNEEC, a Vietnamese environmental consultant, was engaged to measure and analyse the carbon emissions of all listed companies that are in the VNH portfolio as of 31 December 2020. The portfolio companies' attributable carbon footprints are analysed against the attributable footprint of an identical invested amount in the companies of the VNAS.

In 2020, the VNH portfolio had an estimated total annual emission of 21,045 tonnes carbon dioxide equivalents ("tCO_2e") from Scope 1 & 2. The carbon footprint of the portfolio in 2020 is significantly lower when compared against the benchmark of an equivalent investment size in VNAS, with 32% or 9,820 tCO_2e less total carbon emissions. This positive performance was the result of both sector allocation and stock selection. As compared with the 2019 figures, the total carbon emissions of the 2020 portfolio are slightly higher due to the increased percentage of the portfolio invested in the Industrial and Materials sectors. The Fund is invested in the best-in-class companies of the Industrial and Materials sectors, and Hoa Phat Group JSC ("HPG") saw its share price rise by 100% during the year and, as a result, was the main contributor to the portfolio's total carbon emissions. HPG has the lowest carbon emission per tonne of crude steel among its peers in the Vietnamese steel industry.

	VNH Portfolio	VN All Share benchmark	Difference between VNH Portfolio vs. the benchmark
Total Emissions Scope 1&2 (tCO_2e)	21,045	30,865	-9,820
Total Emissions Scope 1,2 & 3 (tCO_2e)	42,430	68,156	-25,726
Carbon footprint (tCO_2e/ $M Invested)	153.1	224.6	-32%
Carbon intensity (tCO_2e/ $M revenue)	525.58	590.76	-11%

The UN's Sustainable Development Goals

The Sustainable Development Goals ("SDGs"), also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. The 17 SDGs are integrated, action in one area will affect outcomes in others, and development must balance social, economic and environmental sustainability.

In Vietnam, the National Action Plan to implement the 2030 Agenda for SDGs ("SDG NAP") was promulgated by the Prime Minister in 2017, in which the 17 SDGs of Vietnam towards 2030 have been set, including 115 specific targets corresponding with global SDGs targets which were approved at the Summit Meeting of the UN in September 2015. The SDG NAP shows the Government's commitment to implementing the SDGs.

We are also pleased to see that the SDGs have been incorporated in many of our portfolio companies' annual report, with detailed illustrations of how the SDGs are embedded in their vision, business strategies and operational conduct. FPT, the largest holding in VNH's portfolio is contributing greatly to SDG 4 – Quality Education – with their extensive education programmes. VPB makes a great contribution to SDG – 7 Affordable and Clean Energy – and SDG 13 – Climate Action – with its green credit programme for renewable energy projects and clean transportation. The renewable energy projects financed by VPB are estimated to reduce 32,850 tonnes CO_2 per year while a project to produce electric motorcycles with an estimated output of 30,000 vehicles/year is estimated to contribute to cutting 240 tonnes of Hydrocarbon, 600 tonnes of CO, 45 tonnes of NO_x and 18,000 tonnes of CO_2 when put into operation to replace Euro-3 gasoline engines vehicles. Meanwhile, PNJ is making much progress in integrating SDG 5 – Gender Equality – into its management approach by raising awareness about the role of women in both families and the workplace.

Our portfolio companies FPT, VPB, MBB, PNJ and NVL are also companies in the Vietnam Sustainability Index ("VNSI") 2021 which features the top 20 sustainable listed companies on HOSE measured in terms of their ESG contributions.

Sustainability Report (continued)

Corporate Governance

The Government's Decree 155/2020 on corporate governance of public companies and the Ministry of Finance's Circular 96 on disclosure of information of public companies issued in late 2020, both effective from 1 January 2021, further establishes the foundations for the continued improvement of corporate governance practices in Vietnam, especially in terms of enhanced disclosures and greater transparency.

Following Decree 155/2020, many companies in our portfolio have set up audit committees under the board of directors ("BOD"). This BOD structure, with the support of the audit committee, helps set a strong 'tone-at-the-top', overseeing the effectiveness and integrity of internal controls. In addition, many companies have made efforts in improving the independence of their BOD by appointing more independent directors with work experiences from different sectors. We have also observed a significant improvement in investor relations activities ("IR") and information disclosure of our portfolio companies, with monthly performance updates and quarterly reports sent to investors, more content available in English, and better dedicated IR support to address questions from investors.

From an international perspective, according to the ASEAN Corporate Governance Scorecard ("ACGS") Assessment 2019-2020, Vietnamese companies have made notable improvements, with more listed companies following the international best practices on public information disclosure, and improvements observed in all groups of companies: best, average and worst performers. Two companies in our portfolio – FPT and NVL – received honourable mentions as the country's Top Three publicly listed companies for good corporate governance.

Dedicated Company Engagement Programme

The Investment Manager assigns a high priority to the engagement mandate entrusted by Shareholders and has established a Company Engagement Programme and emphasising the necessity to systematically implement ESG factors for investee companies. By providing knowledge on specific issues, the investment team supports companies in their own relevant financial and ESG matters and encourages positive changes by helping to influence improvements in sustainability policies, practices and performance, and making recommendations where appropriate. Furthermore, the engagement programme helps the Investment Manager in its portfolio decision-making and risk management strategy.

Over the past year, the Investment Manager actively set up meetings with several portfolio companies in the Company Engagement Programme. During that time, the Investment Manager held more than 20 engagements in both face-to-face and online meetings. Of course, as a result of COVID-19 restrictions, the number of face-to-face meetings has been reduced. In addition to talking about the portfolio company business strategy, the engagement meetings also included discussions about the various ESG issues that the companies were focusing on and needed to understand better. Corporate governance is of growing importance, and the Investment Manager is actively supporting several of its portfolio companies in adopting best practices that lead to sustainable growth and long-term value. Recently, as an example, the Investment Manager set up a meeting with the senior executives of a portfolio company to discuss in detail their approach to employee incentives, alignment of interests and ESOPs, and later sent a formal letter to them providing comprehensive guidelines on how to design an effective ESOP for employees that balances the interests of all stakeholders.

Shareholder Voting

During the financial year, the Company voted at the Annual General Meetings ("AGM") of every portfolio company in which it held an equity position. This year the AGMs were held in both online and offline modes given the COVID-19 situation. The Investment Manager attended 22 AGMs on behalf of the Company and voted 100% in favour of all agenda items. The Investment Manager considered each issue based on its merits related to the strategic objectives of the investee company and its long-term performance.

As part of its usual practice, the Investment Manager discusses the agenda items with each of the portfolio companies' board of directors. In all cases during the past year, the Company voted for every agenda item proposed by the companies' boards of directors.

Membership and Partnership to Promote ESG Practices

UNPRI

The Company's investment policy is aligned with the UNPRI and the Company has been a UNPRI signatory since 2009. Each year, the Company reports on its responsible investment activities through the UNPRI Transparency Report. In its most recent report, the Company received two 'A' scores and one 'A+' score. The improvement in active ownership activities was noted, particularly in some of the criteria, such as the engagement approach, escalation strategy, number of companies engaged with, the topics covered, and the way we share insights from engagements with our stakeholders.

VIOD

Mr. Vu Quang Thinh – the CEO of Dynam Capital – is a founding member of the Vietnam Institute of Directors ("VIOD") – a professional organization promoting corporate governance standards and best practices in the Vietnamese corporate sector. VIOD was legally formed in 2018 with technical support from the International Finance Corporation ("IFC"), a member of the World Bank Group and the Switzerland's State Secretariat for Economic Affairs ("SECO"). Governed by a board of directors comprised of various private sector representatives, VIOD has close collaboration with and is supported by the State Securities Commission of Vietnam ("SSC"), HOSE and HNX under the Vietnam Corporate Governance Initiative ("VCGI"). With the support of SSC, VIOD will continue to represent Vietnam to participate in the 2021 ASEAN Corporate Governance Scorecard. Our close collaboration with VIOD will continue to play a key role in fostering good corporate governance in Vietnam over the coming years.

AIGCC

Dynam Capital, our Investment Manager, is a member of the Asia Investor Group on Climate Change ("AIGCC"). At the end of this financial year, Dynam Capital signed on the 2021 Global Investor Statement to Governments on the Climate Crisis with more than 450 investors to call for governments to raise their climate ambition and implement meaningful policies to address the climate crisis. At a country level, the Investment Manager also submitted formal feedback to contribute to the draft degree on GHG Emissions Reduction and Ozone Layer Protection by the Ministry of Natural Resources and Environment.

Principal Risks and Risk Management

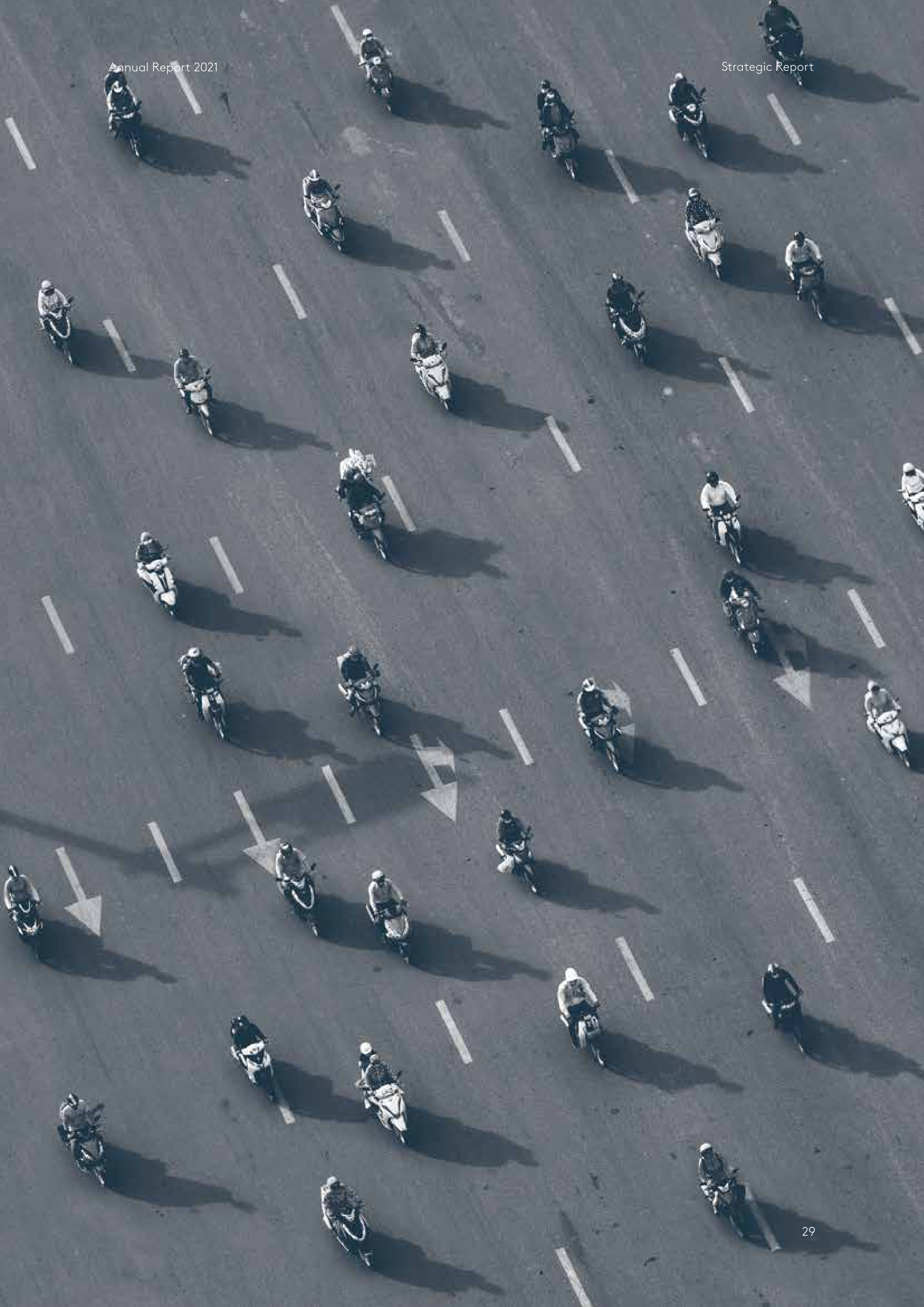
The Board has carried out a robust assessment of the Company's emerging and principal risks and considers with the assistance of the Investment Manager the risks and uncertainties faced by the Company in the form of a risk matrix and heat map. The investment management of the Company has been delegated to the Company's Investment Manager. The Investment Manager's investment process takes into account the material risks associated with the Company's portfolio and the holdings in which the Company is invested. The Board monitors the portfolio and the performance of the Investment Manager at regular Board meetings. The principal risks and the descriptions of the mitigating actions taken by the Board are summarised in the table below.

Key risk	Description	Mitigating action
Market Risk	Vietnam is an increasingly open trading nation, and the changes in terms of international trade, disruption to supply chains and impositions of tariffs could impact directly and indirectly the Vietnamese economy and the companies in which the Company is invested.	The Board is regularly briefed on political and economic developments by the Investment Manager. The Investment Manager publishes a monthly report on the Company which includes information and commentary on the macroeconomic developments in Vietnam.
	The Vietnamese economy can also be impacted by the global-macro economic conditions, and also geopolitical tensions. The Vietnamese capital markets are relatively young, and liquidity levels can change abruptly responding to changes in the behaviour of domestic and international investors.	The inherent liquidity levels in the portfolio have been considered explicitly in the viability of the Company and the Board is reasonably satisfied that even in periods of distress and low liquidity there would be an adequate level of assets that could be realised to meet the liabilities of the Company as they fall due.
	Parts of the portfolio may be prone to enhanced liquidity and price risk.	The Board has noted that the underlying market liquidity in Vietnam has increased dramatically during the last year, and the portfolio composition has also included a higher percentage of larger and more liquid companies.
Investor Sentiment	Vietnam is currently classified as a Frontier Market by MSCI, and the timetable for any inclusion as an Emerging Market is unsure. Investor attitudes to Frontier and Emerging Markets can change, leading to reduced demand for the Company's shares, and an increase in the discount to NAV per share.	The Investment Manager keeps shareholders and other potential investors regularly informed on Vietnam in general and the Company's portfolio in particular. At each Board meeting the Board receives reports from the Investment Manager, from finnCap Ltd, its broker, and is updated on the composition of the shareholder register. In 2019 the Company migrated its domicile from Cayman Islands to Guernsey and moved its trading from AIM to a premium listing on the Main Market of the LSE in order to make the shares attractive to a wider audience of potential investors. In seeking to narrow the discount, the Board has also implemented an on-going share buy-back programme.

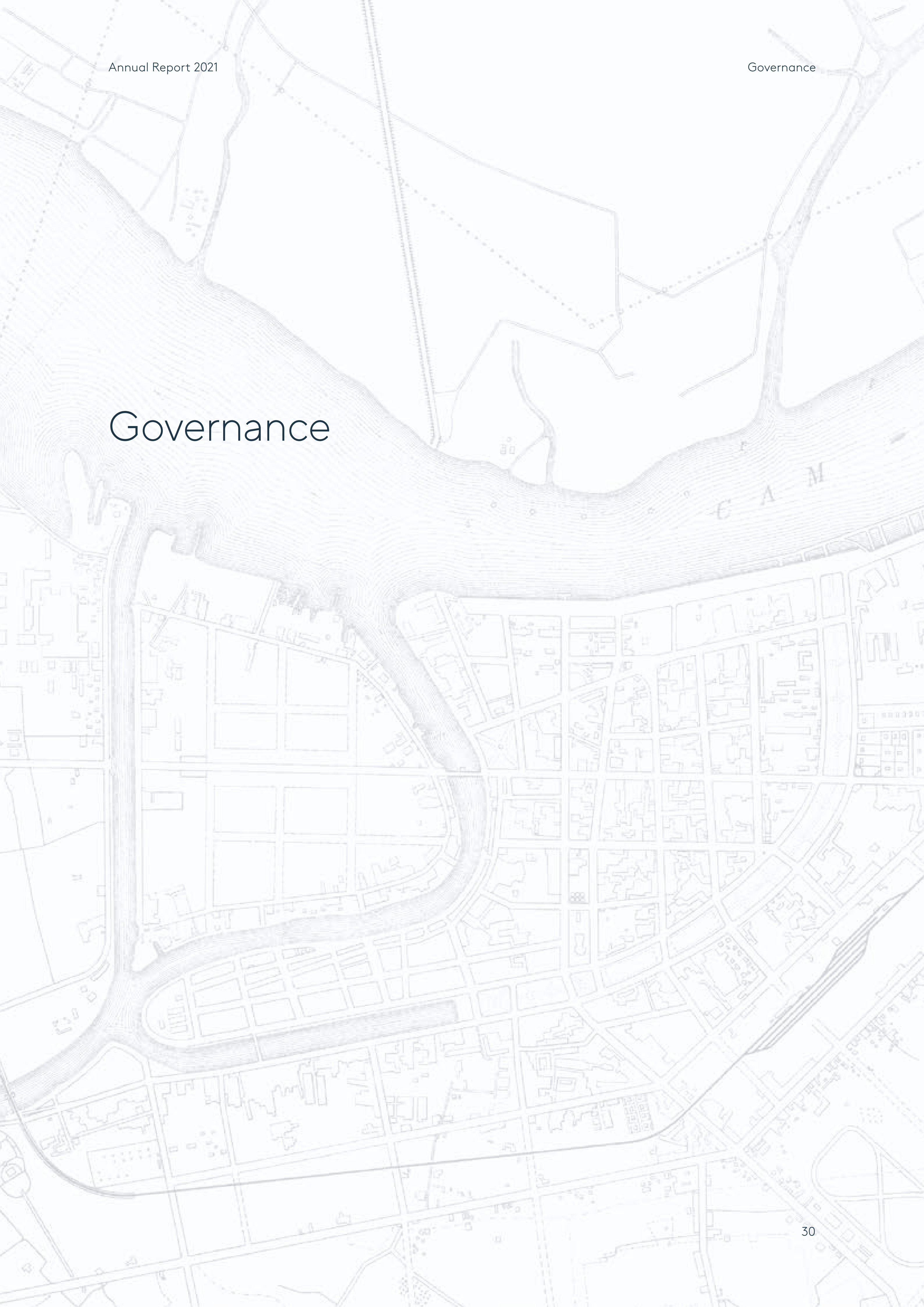
Key risk	Description	Mitigating action
Investment Performance	The performance of the Company's investment portfolio could be poor, either absolutely or in relation to the Company's peers, or to the market as a whole.	The Board receives regular reports on the performance of the portfolio and its underlying assets. The Investment Manager reports to the Board at each Board meeting, and the Board monitors the performance of the Investment Manager.
Fair Valuation	The risks associated with the fair valuation of the portfolio could result in the NAV of the Company being misstated. The quoted companies in the portfolio are valued at market price, but it may be difficult to liquidate, where large positions are held, at these prices in an orderly fashion in the ordinary course of market activity. The values of the Company's underlying investments are denominated in Vietnamese Dong, whereas the Company's accounts are prepared in US Dollars. The Company does not hedge its Vietnamese Dong exposures so exchange rate fluctuations could have a material effect on the NAV.	The Board reviews the valuation of the portfolio with the Investment Manager regularly. The daily estimated NAV is calculated by the Investment Manager. The monthly NAV is calculated by the Fund Administrator.
Investment Management Agreement	The fund management activities are outsourced to the Investment Manager. If the Investment Manager became unable to carry out these activities or if the Investment Management Agreement was terminated, there could be disruptions to the management of the portfolio until a suitable replacement is found.	The Board maintains a close contact with the Investment Manager and reviews the performance of the Investment Manager on a regular basis.
Operational	The Company has no employees and is dependent on a number of third parties for the provision of services (including Investment Management, Fund Administration and Custody). Any control failures or gaps in the services provided could result in damage or loss to the Company.	The Board receives regular reports from the Investment Manager and Fund Administrator on their policies, controls and risk management.
Legal and Regulatory	Failure to comply with relevant regulation and legislation in relevant jurisdictions may have an impact on the Company. Although there are compliance policies (including anti-bribery policies) in place at the Company, the Investment Manager and all service providers, the Company could be damaged or suffer losses if any of these polices were breached.	The Company is administered in Guernsey by a Fund Administrator which reports to the Board at each Board meeting on compliance matters. The Board receives training and updates on compliance matters. The Investment Manager is regulated in Guernsey and has extensive compliance and risk management policies in place.

Principal Risks and Risk Management (continued)

Key risk	Description	Mitigating action
COVID-19	Outbreaks of variants of coronavirus (COVID-19) as part of a global pandemic pose a health concern through fast person-to-person spread, resulting in an illness that can lead to death. Lockdowns, quarantine measures and restrictions on travel can cause sustained global economic disruption and slowdown in growth, and can cause some industries and companies to face severe financial pressures that can lead to job losses and in extreme cases bankruptcies, impacting the value of the investments held by the Company, and weakening investor confidence. Key service providers to the Company could face loss of personnel, diminution in service capability and could impact the ongoing operations of the Company. Travel restrictions can prevent the Directors of the Company from meeting in person. Delays in rolling out vaccinations may prolong the economic impact on Vietnam and its population as other countries begin to re-open their borders to travel.	The Board is in regular contact with the Investment Manager, receiving regular updates on the development and the spread of COVID-19, mitigating actions in Vietnam, including the roll-out of vaccinations, and the impact on the performance of the investment portfolio. The Board has verified that the key service providers all have functional Business Continuity Plans. The Investment Manager and its wholly owned subsidiary in Vietnam has a BCP that includes dividing staff into two separate teams and enabling all staff to work from home as necessary. The BCP has been tested and implemented several times without loss of service to the Company. The key activities of the Company and its service providers can be conducted virtually through online calls, electronic mail and video-calls. The Investment Manager, on behalf of the Company uses Regulatory News Services, monthly newsletters, webinars and ad-hoc updates through social media to keep the investors updated on the impact of COVID-19 on the portfolio.
Climate Risk	Climate change is happening faster than models earlier predicted, threatening the safety of billions of people on the planet. Vietnam is one of the five countries most vulnerable to climate change. The country's diverse geography means it is hit by sea level rise, typhoons, landslides, flooding and droughts, and weather events are expected to worsen in coming years. Two types of climate-related risks have been identified. (1) Physical risks: sea level rise, floods and typhoons that put infrastructure or real estate companies with projects in coastal areas or low-lying levels at higher risk from physical impacts of climate change. (2) Transition risks: climate policy and rising carbon prices may cause higher prices and impact the viability of companies that rely on fossil fuels or those in high carbon intensity activities and may necessitate a significant, and costly, technology shift.	The Board, through the Investment Manager, has engaged a specialist consulting firm in Vietnam to help estimate the portfolio's carbon footprint and identify the carbon-intensive sectors. The Investment Manager has undertaken to analyse the physical and transition risks of climate-sensitive industries to develop an appropriate investment and engagement strategy and to encourage investee companies to do more on climate-related risk assessment and disclosures. The Investment Manager monitors investee companies that are identified to be at high climate risks. The Investment Manager is a member of the Asia Investor Group on Climate Change and keeps abreast of the changes in policies that may impact transition and other climate-related risks. The Board is in regular contact with the Investment Manager, and receives reports through the ESG Committee and the Audit and Risk Committee.
Emerging Risks	New risks beyond those identified as Principal Risks can develop. These Emerging Risks may have a detrimental or existential impact on the Company.	The Board reviews the risk matrix and risk register that captures and tracks emerging risks as part of its overall risk management practices. Emerging Risks are identified and recorded with a description of their root cause, a risk assessment, a description of mitigating actions, a monitoring plan, and a net risk rating. Changes in risk ratings are presented to the Board on a quarterly basis.



Governance



Director Profiles and Disclosure of Directorships

Hiroshi Funaki

Mr Funaki has been actively involved in raising, researching and trading Vietnam funds for 23 years. He worked at Edmond de Rothschild Securities from 2000 to 2015 where he led the Investment Companies team, focusing on Emerging Markets and Alternative Assets. Prior to that he was Head of Research at Robert Fleming Securities, also specialising in closed-end funds. He currently acts as a consultant to a number of emerging market investors. He has a BA in Mathematics and Philosophy from Oxford University and is a UK resident.

Sean Hurst

Mr Hurst was co-founder, director and chief investment officer of Albion Asset Management, a French regulated asset management company, from 2005-2009. He is an experienced multi-jurisdictional director including roles at Main Market and AIM traded funds and numerous offshore and UCITS funds. In addition to advising companies on launching both offshore and onshore investment funds, he is currently non-executive chairman of JPEL Private Equity Ltd and non-executive director at CIAM Opportunities Fund and Satellite Event Driven UCITS Fund. Mr Hurst was formerly a non-executive director of AIM listed ARC Capital Holdings Ltd. He holds an MBA in Finance from CASS Business School in London and is a resident of France.

Philip Scales

Mr Scales has over 40 years' experience working in offshore corporate, trust, and third-party administration. For 18 years, he was managing director of Barings Isle of Man (subsequently to become Northern Trust) where he specialised in establishing offshore fund structures, latterly in the closed-ended arena (both listed and unlisted entities). Mr Scales subsequently co-founded FIM Capital Limited where he is Deputy Chairman. He is a Fellow of the Institute of Chartered Secretaries and Administrators and holds a number of directorships of listed companies and collective investment schemes. He is an Isle of Man resident.

Damien Pierron

Mr Pierron is currently Partner and Co-founder at AlphaVir, a Venture Capital and Private Equity platform. In his last position, he was a managing director in Societe Generale. Mr Pierron has 15 years' experience in M&A, strategy and alternative assets gained at, among others, Lafarge Holcim, OC&C Strategy Consultants, Natixis and Societe Generale. He is a CFA charterholder and holds a Degree in Mathematics, Physics and Economy from Ecole Polytechnique in Paris and a Master's Degree in Quantitative Innovation from Ecole Nationale Superieure des Mines de Paris. He is a Dubai resident.

Saiko Tajima

Ms. Saiko Tajima has over 20 years' experience in finance, of which 8 years have been spent in Asian real estate asset management and structured finance. Working for Aozora Bank and group companies of Lehman Brothers and Capmark, she focused on financial analysis, monitoring and reporting to lenders, borrowers, auditors, regulators and rating agencies. Over the last 7 years, she has invested in and helped develop tech start-ups in Tokyo, Seoul and Sydney.

Disclosure of Directorships in Public Companies Listed on Recognised Stock Exchanges

Name	Company Name	Stock Exchange
Hiroshi Funaki	Origo Partners plc	London
Sean Hurst	JPEL Private Equity Ltd	London
Philip Scales	Origo Partners plc First World Hybrid Real Estate plc	London Channel Islands

Corporate Governance Report

The Directors are responsible for the determination of the overall management of the Company including its investment policy and strategy. This includes the review of investment activity, performance and control and supervision of the Investment Manager and other advisers. All of the Directors are non-executive and are independent of the Investment Manager.

The Board is also responsible for its own composition, capital raising, meeting statutory obligations and public disclosure, financial reporting and entering into any material contracts by the Company.

The Directors have access to the advice and services of the Administrator and Secretary, who are responsible to the Board for ensuring that Board procedures are followed and that it complies with Company Law, applicable rules and regulations of the Guernsey Financial Services Commission, the London Stock Exchange and The International Stock Exchange.

Where necessary, in carrying out their duties, the Directors may seek independent professional advice at the expense of the Company.

The Board of the Company has considered the Principles and Provisions of the Association of Investment Companies Code of Corporate Governance issued in February 2019 ("AIC Code"). The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code (the "UK Code"), as well as setting out additional Provisions on issues that are of specific relevance to the Company.

The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council and the Guernsey Financial Services Commission provides more relevant information to Shareholders. The Board considers by reporting against the AIC Code, they are meeting their obligations under the UK Code, the 2011 GFSC Finance Sector Code of Corporate Governance and associated disclosure requirements under paragraph 9.8.6 of the Listing Rules.

The AIC Code is available on the AIC website (www.theaic.co.uk). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

Except as disclosed within this report, the Board is of the view that the Company complied with the recommendations of the AIC Code and the relevant provisions of the AIC Code during the year ended 30 June 2021. Key issues affecting the Company's corporate governance responsibilities, how they are addressed by the Board and application of the AIC Code are presented below.

The AIC Code includes a provision relating to the appointment of a Senior Independent Director and the Board confirms that Sean Hurst is the appointed Senior Independent Director of the Company. Liaison with Shareholders is dealt with mainly by the Chairman of the Company and the Senior Independent Director working closely with the Company's Advisors.

Directors' Responsibilities to Stakeholders

Section 172 of the UK Companies Act 2006 applies directly to UK domiciled companies, however the AIC Code requires that the matters set out in Section 172 are reported by all companies, irrespective of domicile. This requirement does not conflict with the Companies Law in Guernsey.

Section 172 recognises that Directors are responsible for acting in a way that they consider, in good faith, is most likely to promote the success of the Company for the benefit of its shareholders as a whole. In doing so, they are also required to consider the broader implications of their decisions and operations on other key stakeholders and their impact on the wider community and the environment.

Key decisions are defined as those that are material to the Company, but also those that are significant to any of the Company's key stakeholder groups. The Company's engagement with its key stakeholders is outlined in the corporate governance section of this report.

Board Independence and Composition

The Board consists of five non-executive Directors, each of whom is independent. No member of the Board is connected to the Investment Manager or any of the service providers appointed. Four of the Board members were appointed in September/October 2017 following the retirement of the previous Board and the fifth member was appointed in May 2019 following the retirement of a Board member at the 2018 AGM.

Mr Funaki is a Director of Discover Investment Company which holds 2,197,681 ordinary shares in the Company representing 5.2% of the issued share capital. The Board are satisfied that this does not have any impact on Mr Funaki's independence as a Director of the Company.

As detailed in note 8 of the financial statements, Directors own shares in the Company as follows:

Hiroshi Funaki	20,643
Sean Hurst	8,218
Philip Scales	10,000
Damien Pierron	5,000
Saiko Tajima	5,000

The Board reviews the independence of the Directors regularly and at least annually.

The Company is committed to ensuring that any board appointments are filled by the most suitably qualified candidates. The Board acknowledges the benefits of greater diversity and is committed to ensuring that the Board brings a wide range of skills, knowledge and experience. No specific diversity parameters have been set as the Board believes that all appointments should be made on merit and taken in the context of the skills, knowledge and experience required for an effective Board. The Nomination Committee is responsible for evaluating any new Board appointment and making appropriate recommendations to the Board.

The Board believes the current board members have the appropriate qualifications, experience and expertise to manage the Company. The Directors' biographies can be found on page 31.

Board Meetings and Attendance

The Board meets regularly during the year with representatives from the Investment Manager present. In addition, representatives from the Company's Broker and Administrator attend Board and committee meetings by invitation. At each quarterly Board meeting the performance of the portfolio is formally reviewed and during the year, Board members also attend investment meetings with members of the Manager's senior team. The Board members have a range of skills covering investment management, banking, compliance and corporate governance as well as prior experience of acting as directors of companies listed on the London Stock Exchange.

The Company's brokers and lawyers are consulted on any matters where external expertise is required, and external advisers attend board meetings as invited by the Chairman to report on and/or discuss specific matters relevant to the Company.

During the year 5 Board meetings were held and the record of attendance at each Board and committee meeting was as follows:

	Board	**Audit and Risk**	**Remuneration and Nomination**	**Management Engagement**
Hiroshi Funaki	5 (5)	4 (4)	1 (1)	1 (1)
Sean Hurst	5 (5)	4 (4)	1 (1)	1 (1)
Philip Scales	5 (5)	4 (4)	1 (1)	1 (1)
Damien Pierron	5 (5)	4 (4)	1 (1)	1 (1)
Saiko Tajima	5 (5)	4 (4)	1 (1)	1 (1)

In addition there were 5 meetings of the Buy-Back Sub-Committee held during the year.

Corporate Governance Report (continued)

Tenure of Board Members and Succession Planning

The Company has adopted a formal policy that neither the Chairman nor any other Director shall serve for more than 9 years.

Re-election of Directors

The Board has agreed that all Directors should submit themselves for annual re-election.

Mr. Hurst, Mr Funaki, Mr Pierron, Mr Scales and Ms Tajima will all stand for re-election at the 2021 AGM.

The individual performance of each Director standing for re-election or election has been evaluated by the other members of the Board and a recommendation will be made that Shareholders vote in favour of their re-election at the AGM in November 2021.

Administration

On 7 October 2019 the Board appointed Sanne Group (Guernsey) Limited to provide corporate governance, secretarial, compliance and accounting services to the Company.

Conflicts of Interest

The Directors are reminded at each Board meeting of their obligations to notify any changes in their statement of conflicts and also to declare any benefits received from third parties in their capacity as a Director.

A register of conflicts is maintained by the Administrator and formally reviewed on a quarterly basis. Each Director is required to declare any potential conflicts of interest on an ongoing basis.

Performance Evaluation

During the year the Board undertook an evaluation exercise into the effectiveness of both the Board and the Committees. The programme was undertaken by the Administrator and no significant issues were identified.

The Remuneration and Nomination Committee will again consider whether for the next evaluation due in 2022, an external facilitator should be appointed to undertake the evaluations.

Professional Development and Training

New Directors are provided with all relevant information regarding the Company's business and given the opportunity to meet with key functionaries prior to appointment. They are also provided with induction training.

It is the responsibility of each Director to ensure that they maintain sufficient knowledge to fulfil their role and so are encouraged to participate in seminars and training courses where appropriate.

Committees of the Board

Four committees have been formed, an Audit and Risk Committee, a Remuneration and Nomination Committee, a Management Engagement Committee and an ESG Committee. Since September/October 2017 the Company has been through a period of considerable change and all Board members are members of each committee. The Chairman of the Company does not Chair any of the Committees. Details of the Chairman of each committee, together with the number of meetings held during the year are shown on pages 33 to 35. A summary of the Terms of Reference of each committee is detailed below and a copy of the Terms of Reference are available on the Company's website www.vietnamholding.com.

Audit and Risk Committee

The Committee Chairman is Philip Scales and the Committee meets at least twice per annum. All members of the Board are members of the Committee. This includes the Chairman of the Company where, given the size of the Board, the experience of all members and the independence of the Company Chairman, it is felt appropriate that all Board members play a role in the Audit and Risk Committee. The principal responsibility of the Committee is to monitor the production of the Interim and Annual Financial Statements and to present these to the Board for approval.

Other duties include reviewing the internal financial controls and monitoring third party service providers, review and monitor the external auditor's independence and objectivity along with the effectiveness of the audit process and to make recommendations to the Board in relation to the appointment of the External Auditor together with their remuneration.

A report of the Audit and Risk Committee is detailed on pages 38 to 39.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee is chaired by Saiko Tajima and all members of the Board are members of the Committee. The Board considers that all the Directors are independent and therefore eligible to be members of the Committee. The Committee meets at least once in each year and at such other times as may be considered necessary.

The principal duties of the Remuneration and Nomination Committee are to review the fees paid to the Non-Executive Directors, to consider the appointment of external remuneration consultants, to review the structure, size and composition of the Board, make recommendations to the Board for any changes and to consider succession planning. The Committee also undertakes the evaluation of the appointment of any additional or replacement Directors and ensures they are provided with training and induction. The Committee arranges for an annual evaluation of all Board and Committee members.

During the year the Committee reviewed the fees paid to Directors and resolved that no changes be recommended.

The AIC Code includes a provision relating to the appointment of a Senior Independent Director of which Sean Hurst was appointed in the prior year.

No new Board appointments were considered during the year but the Committee reaffirmed the policy that no Director should serve for more than 9 years.

Management Engagement Committee

The Chairman of the Management Engagement Committee is Damien Pierron and the Committee shall meet at least once a year. All members of the Board are members of the Committee. The principal duties of the Committee are to review the performance and appointment of the Investment Manager together with their remuneration and to review the effectiveness and competitiveness of the other main service providers and functionaries together with reviewing their performance.

A share buy-back sub-committee consisting of Hiroshi Funaki and Sean Hurst has been formed under the Management Engagement Committee and meets regularly to review and monitor the share buy-back programme. Damien Pierron also joins the share buy-back sub-committee on an ad-hoc basis.

During the year the Committee reviewed the performance of the Investment Manager, Administrator and Sub-Administrator, Corporate Broker and Registrar. No changes were recommended as a result of these reviews.

Environmental, Social and Governance Committee

The ESG Committee was established during the year and is chaired by Sean Hurst with all members of the Board forming the Committee. The aim of the Committee is to establish a unified view of ESG, increasing understanding of all three aspects: environmental, social and governance, and to promote the robust standards of corporate governance that the Company adopts.

The purpose of the ESG Committee, which shall meet at least once a year, is to support the Company's on-going commitment to environmental, health and safety, corporate social responsibility, corporate governance, sustainability, and other public policy matters relevant to the Company (collectively, "ESG Matters").

Shareholder Engagement

The Company is committed to listening and communicating openly with its Shareholders to ensure that its strategy, business model and performance are clearly understood. All Board members have responsibility for Shareholder liaison but Shareholder contact is mainly dealt with by the Chairman of the Company and the Senior Independent Director in close liaison with the Company Advisors.

Copies of the Annual Report are sent to all Shareholders and can be downloaded from the website. Other Company information including the Interim Report is also available on the website.

The Company holds an AGM in each year, which gives investors the opportunity to enter into dialogue with the Board and for the Board to receive feedback and take action as necessary. The Investment Manager also participates in meetings with investors arranged by the Company's Broker and has arranged seminars and webinars to update current and prospective investors on the developments in the Vietnamese market and the performance of the Company. The Investment Manager also updates the Company's website and sends out monthly factsheets on the Company to investors who have registered to receive such updates. The Company has a LinkedIn page which is administered by the Investment Manager established in the prior year.

The Board reviews proxy voting reports and any significant negative response is discussed with relevant Shareholders and, if necessary, where appropriate or possible, action is taken to resolve any issues. In the interest of transparency and best practice, the level of proxy votes (for, against and vote withheld) lodged on each resolution is declared at all general meetings and announced.

Corporate Governance Report (continued)

Corporate Policies

Anti-Bribery and Corruption Policy

The Board is committed to the prevention of bribery throughout the organisation and will take every step necessary to ensure to the best of its ability, that business is conducted fairly, honestly and openly. It has adopted a formal policy to combat fraud, bribery and corruption and will seek annual confirmation from the Investment Manager and other service providers it engages that they have similar policies in place. Furthermore, the Board has zero tolerance to the criminal facilitation of tax evasion. These policies apply to the Company and to each of its Directors. Further, the policies are shared with each of the Company's service providers, each of which confirms its compliance annually to the Board.

Criminal Facilitation of Tax Evasion Policy

The Board has taken steps to ensure there is no criminal facilitation of tax evasion. This applies to the Company and to each of its Directors, as well as service providers. A policy has been adopted by the Board.

General Data Protection Regulation

The Company abides by general data protection regulation. As it is established in the Bailiwick of Guernsey, under The Data Protection (Bailiwick of Guernsey) Law, 2017, the Company has registered with the Office of the Data Protection Authority.

The Company

Global Greenhouse Gas Emissions

The Company has no significant greenhouse gas emissions to report from its operations for the year to 30 June 2021, nor does it have responsibility for any other emission producing sources. The Company is very conscious of its own carbon footprint in carrying out its business activities. The main source of this for the Company is in the international and domestic air travel of the Board of Directors and members of the Investment Manager in conducting the business of the Company and meeting with Shareholders. For the year to 30 June 2021, many of the board meetings were conducted through video-conference as a result of restrictions related to Covid-19. During the year members of the Board travelled to London and Zurich in conducting the business of the Company. The estimated carbon footprint of travel activities (that have not already been offset at source) amounts to approximately 4.45 tonnes of CO_2e.

The Company engaged a specialist consulting firm to estimate the carbon footprint of the portfolio, and this is detailed in the *Sustainability Report.*

Gender Metrics

The Board of the Company recognises the governance mechanism to ensure there is diversity amongst the Directors and as such a female was appointment to the Board in May 2019. The Board notes that 40% of the team members employed by the Investment Manager and its subsidiary in Vietnam are female.

Audit and Risk Committee Report

The main items that the Audit and Risk Committee (the "Committee") has reviewed during the year ended 30 June 2021 were:

- reviewing the content of the Interim Report and the Annual Report;
- reviewing the independence and effectiveness of the External Auditor;
- considering and reviewing the internal control and risk management systems and the work of the service providers; and
- reviewing the control framework with the assistance of the Investment Manager and Administrator.

Internal Control

As a company with a Board consisting entirely of Non-executive Directors and which outsources the day-to-day activities of portfolio management, administration, accounting and company secretarial to external service providers, the Board considers the provision of an internal audit function is not relevant to the position of the Company.

The Committee reviews the internal financial control systems for their effectiveness and through the Management Engagement Committee, monitors the performance of the external service providers. The Board recognises its ultimate responsibility for the Company's system of internal controls to ensure the maintenance of proper accounting records, the reliability of the financial information upon which business decisions are made and that the assets of the Company are safeguarded. Through these procedures, the Directors have kept under review the effectiveness of the internal control system throughout the year and up to the date of this report. There were no issues arising from this review.

Membership and Attendance

The Committee membership currently consists of all Board members under the Chairmanship of Philip Scales. This includes the Chairman of the Company where, given the size of the Board, the experience of all members and the independence of the Company Chairman, it is felt appropriate that all Board members play a role in the Audit and Risk Committee. The Terms of Reference allow appointments to the Committee for a period of up to 3 years and this may be extended for two further 3-year periods provided that the Director remains independent.

The Committee holds at least three meetings a year which are to review the Annual and Half-Year Reports of the Company and also for audit planning purposes and a review of risks relevant to the Company. Details of the number of committee meetings held during the year ended 30 June 2021 and the number of those attended by each committee member are shown on page 33.

The External Auditor is invited to attend committee meetings where the Annual and Half-Year Reports are considered and separate meetings are held with the External Auditor where the Investment Manager is not present.

Principal Duties

The main responsibilities of the Committee include:

- to monitor the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance;
- to review the Company's internal financial controls and the internal control and risk management systems of the Company and its third party service providers;
- to make recommendations to the Board in relation to the appointment of the External Auditor and their remuneration; and
- to review and monitor the External Auditor's independence and objectivity and the effectiveness of the audit process.

A copy of the Terms of Reference of the Committee are available either from the Company's website or from the Company's Administrator.

Valuation of Investments

The fair value of the Company's investments at 30 June 2021 was USD 193.1 million which represented 98.5% of the Company's NAV (30 June 2020: USD 115.1 million and 98.1% respectively).

The valuation of investments is the most significant factor in relation to the accuracy of the financial statements.

The Committee reviewed the portfolio valuation as at 30 June 2021 and obtained confirmation from the Investment Manager that the Company's policies on the valuation of investments had been followed. The Committee also made enquiries of the Sub-Administrator and Custodian, both of whom are independent of the Company, to check procedures are in place to ensure the portfolio is valued correctly.

The Committee agreed the approach to the audit of the valuation of investments with the External Auditor prior to the commencement of the audit. The results of the audit in this area were reported by the External Auditor and there were no significant disagreements between the Investment Manager, the Sub-Administrator and the External Auditor's conclusions.

The Board reviews the changes in valuations at each quarterly Board meeting.

Incentive Fee

The basis for the calculation and payment of the incentive fee to the Investment Manager is summarised in the Notes to the Financial Statements.

The Committee reviews the calculation of any fee prior to payment, however no incentive fee is payable for the year ended 30 June 2021 and from 1 November 2020 the incentive fee has been removed from the Investment Management Agreement.

External Audit

KPMG Channel Islands Limited ("KPMG") has been the External Auditor since the Company re-domiciled in Guernsey on 25 February 2019. The Committee held meetings with KPMG before the start of the audit to discuss formal planning and to discuss any possible issues along with the scope of the audit and appropriate timetable. Informal meetings have also been held with the Chairman of the Committee in order that the Chairman is kept up to date with the progress of the audit and formal reporting required by the Committee.

Annually, the Committee reviews the performance of KPMG in order to recommend to the Board whether or not the Auditors should be reappointed for the next year.

Audit fees payable to KPMG for 2021 are GBP 52,000 (2020: GBP 49,000). Non audit fees payable to KPMG for 2021 were GBP nil (2020: GBP nil).

The Committee has reviewed KPMG's report on their independence and objectivity including their structure for the audit of the Company and is satisfied that the services provided by KPMG do not prejudice its independence. The Committee will continue to review any non-audit services that may be provided by KPMG in order to ensure their continuing independence and integrity.

Risk Management

An outline of the risk management framework and principal risks is detailed on pages 26 to 28. The Committee will keep under review financial and operational risk including reviewing and obtaining assurances from key service providers for the controls for which they are responsible.

Anti-Bribery and Corruption

The Company has a zero-tolerance approach to bribery and corruption, in line with the UK Bribery Act 2010. An Anti-Bribery and Corruption Policy has been adopted and is kept under review.

Annual Report

The Committee has reviewed the Annual Report along with reports and explanations from the Company's Investment Manager, Administrator, and other service providers. The Committee is satisfied that the Annual Report is fair, balanced, and understandable and that it provides the necessary information for Shareholders to assess the Company's performance, business model, and strategy.

The Committee is satisfied that KPMG has fulfilled its responsibilities in respect of the annual audit and has recommended that KPMG be re-appointed for the forthcoming financial year.

Philip Scales
Audit and Risk Committee Chairman
30 September 2021

Directors' Remuneration Policy and Report

Remuneration Policy

The Directors are entitled to receive fees for their services which reflect their experience and the time commitment required. At the Annual General Meeting to be held in November 2021 an ordinary resolution seeking approval for the Directors' remuneration report will be put to Shareholders.

Directors' Remuneration

Directors' fees are paid within limits established in the Articles of Incorporation which shall not exceed an aggregate of USD 350,000 in any financial year (or such sum as the Company shall from time to time determine). The Directors may also be paid reasonable travelling, hotel and other out-of-pocket expenses properly incurred in attending Board, Committee Meetings or general meetings. The Remuneration Committee reviews the Directors' fees periodically although the review will not necessarily result in any increase. For the year ended 30 June 2021 annual Directors' fees remained at USD 50,000 with the Chairman of the Company receiving an additional USD 10,000 per annum or prorated as applicable and, the Senior Independent Director and the Chairman of the Audit and Risk Committee receiving an additional USD 5,000 per annum or prorated as applicable.

The Directors are also paid a per diem fee of USD 1,500 for each Board meeting attended and USD 750 for a Committee meeting attended, either in person or by telephone.

The Company has no bonus schemes, pension schemes, share option or other long-term incentive schemes in place for the Directors.

Director	Role	Remuneration USD	Additional ad hoc fees as agreed by Board USD	Total fees to 30 June 2021 USD
Hiroshi Funaki	Non-executive Chairman; Audit and Risk Committee member	60,000	11,250	71,250
Sean Hurst	Senior Independent Director; Environmental, Social and Governance Committee Chairman	55,829	10,741	66,570
Philip Scales	Non-executive Director; Audit and Risk Committee Chairman	55,000	6,750	61,750
Damien Pierron	Non-executive Director; Management Engagement Committee Chairman	50,000	7,873	57,873
Saiko Tajima	Non-executive Director; Remuneration and Nomination Committee Chairman	50,000	6,000	56,000
Total		**270,829**	**42,614**	**313,443**

Director	Role	Remuneration USD	Additional ad hoc fees as agreed by Board USD	Total fees to 30 June 2020 USD
Hiroshi Funaki	Non-executive Chairman; Audit and Risk Committee member	55,000	22,500	77,500
Sean Hurst	Senior Independent Director; Environmental, Social and Governance Committee Chairman	58,049	19,926	77,975
Philip Scales	Non-executive Director; Audit and Risk Committee Chairman	55,000	14,250	69,250
Damien Pierron	Non-executive Director; Management Engagement Committee Chairman	50,000	8,582	58,582
Saiko Tajima	Non-executive Director; Remuneration and Nomination Committee Chairman	50,000	9,750	59,750
Total		268,049	75,008	343,057

Directors' Report

The Directors present the Annual Report and Financial Statements of the Company for the year ended 30 June 2021.

The Company

VietNam Holding Limited (the "Company") is a closed-end investment company that was incorporated in the Cayman Islands on 20 April 2006 as an exempted company with limited liability under registration number 166182. On 25 February 2019, the Company, via a process of cross-border continuance, transferred its legal domicile from the Cayman Islands to Guernsey and was registered as a closed-ended company limited by shares incorporated in Guernsey with registered number 66090.

The investment objective of the Company is to achieve long-term capital appreciation by investing in a diversified portfolio of companies that have high growth potential at an attractive valuation.

At the Extraordinary General Meeting held on 31 October 2018 the Shareholders voted in favour of the continuance resolution, authorising the Company to operate in its current form through to the 2023 Annual General Meeting when a similar resolution will be put forward for Shareholders' approval.

Dynam Capital, Ltd has been appointed as the Company's Investment Manager and is responsible for the day-to-day management of the Company's investment portfolio in accordance with the Company's investment policies, objectives and restrictions.

Results

The net income for the year ended 30 June 2021 amounted to USD 100,153,888 (2020: loss of USD 21,092,101). There were no dividends declared during the year ended 30 June 2021 (2020: USD nil).

Going Concern

The financial position of the Company, its cash flows and liquidity position are described in the Financial Statements and the Notes to the Financial Statements. These also contain the Company's objectives, policies, processes for managing its capital, its financial risks management objectives, details of its financial instruments, and its exposures to credit risk and liquidity risk.

The Company's forecasts and projections have been stress tested taking into account the potential for (i) asset value declines, (ii) declines in cash dividends from equities held in the portfolio and (iii) share buybacks and Tender Offers. The Directors note that the underlying liquidity of Vietnamese stocks has increased significantly over the last twelve months with average daily traded volumes increasing by as much as 5x the level of the prior year. The Directors also note that the portfolio is composed of a higher percentage of larger and more liquid stocks than in the prior year. Lastly, the Directors note that at year-end the portfolio is comprised of cash and quoted stocks only, with the only non-quoted asset being sold before the year-end. The Company's liquidity position, taking into account cash held and with the ability to sell underlying assets to meet share buybacks, tenders and to meet the operating costs of the Company, shows that the Company is able to operate with appropriate liquidity and be able to meet its liabilities as they fall due. The Directors therefore have a reasonable expectation that the Company will have adequate resources to continue its operations for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

The 4th wave of the Covid-19 pandemic, with the spread of the Delta variant, has required the government to adopt much stricter measures to control the situation, including significant periods of lockdown, leading to the most significant impacts to the economy since the beginning of the pandemic in 2020. The Investment Manager expects that many listed companies will record sharply reduced profitability for the third quarter of 2021. Although Vietnam was initially slow in vaccinating its population due to the shortage of supply, Vietnam has accelerated its vaccinations rate, and has procured (and been given) several million vaccine doses. Recently the vaccination rate reached 1 million doses a day. It is estimated that 30% of the adult population have received one dose already, and 6% two doses. In Ho Chi Minh City it is estimated that more than 90% of the adult population has received one dose, and more than 11% two doses. The government expects lockdown measures can be gradually relaxed in the fourth quarter of 2021. Since early 2020, the Company's portfolio has been rebalanced with greater focus on larger, more liquid stocks. Many of these companies have proved to be much more resilient to the crisis than smaller companies. Ironically, liquidity in the Vietnam stock market has increased during the pandemic, possibly influenced by the greater number of investors trading electronically through smartphones. It is estimated that the number of retail investors has increased by more than 1 million over the last twelve months, and this has buoyed market liquidity which reached as much as USD 1.5 billion a day, recently.

Improved liquidity in the market and the portfolio was in evidence in August 2021 when the Investment Manager was able to generate close to 30% cash in the portfolio to fund the recent tender offer.

Viability Statement

The Board has considered the viability period for the Company, using the criteria set out in the UK Corporate Governance Code. The Board considered the current position of the Company, and its longer-term prospects, strategies as well as its principal risks in the current, medium and long-term, emerging risks and uncertainties as detailed in the Principal Risks and Risk Management on pages 26 to 28 and in the Investment Manager's Report on pages 8 to 13. The strategy provides long term direction and is reviewed annually and further tested in a series of robust downside financial scenarios as part of the annual review. These scenarios included an assessment of those risks that would threaten its strategic objectives, its business as usual state, its business model and its future performance, solvency or liquidity. The sensitivity analysis was applied to the forecasted cash flows. Based on this assessment, the Board has determined that a three-year viability period to 30 June 2024 is an appropriate period that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of three years.

In arriving at this conclusion, the Board considered:

- The Volatility of Global Economic Conditions and Impact of COVID-19:

The Board considered the impact and effectiveness of mitigation strategies being mandated by governments in impacted countries; the adverse financial impact already being experienced by the Company: the disruption to economic activity and financial pressures and impact on investments in the Company's portfolio. The Board also engaged with the Investment Manager on the longer-term impact of climate change, and other societal change factors, to the portfolio. Additionally, the Board took into consideration the impact on the capital markets in Vietnam; the existence and effectiveness of business continuity plans of the Company and its service providers; and the impact on our stakeholders caused by COVID-19.

- Business Environment:

Whilst the impact of COVID-19 on the global business environment will be material, with significant changes to the world's supply chains, consumer demand, ability to travel freely and the overall economic growth, the Company's strategy for investing in a portfolio of equities in Vietnam and targeting growth in the value of the portfolio over the medium term is unchanged. The combination of potential structural opportunities that may benefit Vietnam as a destination for manufacturing, and the opportunities within the growing domestic market provide attractive investment opportunities.

- Brexit:

The potential impact of Brexit has been considered and is not deemed to be significant.

- Operations:

The current financial year has been a year of significant operational change caused by the COVID-19 pandemic. The Board is confident that operationally the Company is very robust and that it can, if necessary, operate effectively without the need for physical meetings or an office presence. The Board, Investment Manager, Administrator and other service providers have all demonstrated that they can work effectively and efficiently despite, in many cases, working remotely for most of the year.

- Investment:

- The liquidity of the Company's underlying portfolio is high: average daily trading volumes on Vietnam's stock markets have increased significantly, reaching 3 to 5 times the levels of the previous year, and the underlying portfolio is composed of a higher number of listed and larger firms than in the previous year. At year end there were no unquoted investments. Recent stress testing has confirmed that shares can be easily liquidated, despite the more uncertain and volatile economic environment. It is estimated that up to 75% of the portfolio can be readily liquidated in less than ten trading days. The portfolio is un-geared and, as it holds mostly listed securities, has sufficient liquidity to meet the Company's liabilities.
- The current portfolio is low to medium risk based on assessments both individually and in combination of liquidity risk, credit risk, interest rate risk and currency risk. The Investment Manager and the Board review and evaluate the portfolio on a monthly basis.

- Principal Risks:

The Board's review considered the Company's cash flows and income flows, with reference to operational, business, market, currency, liquidity, interest rate and credit risk associated in financial instruments set out in note 3 (Financial Instruments and Associated Risks) and note 4 (Operating Segments) of the financial statements on pages 64 to 68. The statistical modelling is used to quantify these risks, which ensures that the Company holds sufficient financial assets and capital to mitigate the impact of these risks.

Directors' Report (continued)

Viability Statement (continued)

- Income and Expenses:

- The Company has a portfolio that generates investment income through dividends payments. The cash dividends received can be used to partially offset the Company's on-going expenses. In the year under review, total on-going expenses were covered 0.88 times by investment income. In the following year, the current investment income is forecast to cover 0.55 times the amount of on-going expenses. In the stress-tested scenario with significant declines in cash dividends forecasted due to COVID-19, the investment income is forecast to cover 0.39 times on-going expenses.
- The Company maintains a cash buffer of approximately 2% of NAV to help meet on-going expenses.

Given the adequate levels of cover set out above, the cash buffer, the liquidity levels and the overall portfolio risk, the Board has reasonable expectation that the Company can continue in operation and meet its liabilities over the forecast period.

The Company's viability depends on the global economy and markets in Vietnam continuing to function. The Board has also considered the possibility of a wide-ranging collapse in corporate earnings and/or the market value of listed securities. To the latter point, it should be borne in mind that a significant proportion of the Company's expenses are in investment management fees linked to the level of net assets of the Company, which are therefore variable in nature and would naturally reduce if the market value of the Company's assets were to fall.

In order to maintain viability, the Company has robust risk controls as set out in the Principal Risks and Risk Management on pages 26 to 28 and the risk management and control framework have the objectives of monitoring and reducing the likelihood and impact of operational risks including poor judgement in decision-making, risk-taking that exceeds the levels agreed by the Board, human error, or control processes being deliberately ignored.

In this context, the Board considers that the prospects for economic activity will remain such that the investment objective, policy and strategy of the Company will be viable for the foreseeable future and through a period of at least three years from 30 June 2021.

Key Performance Indicators (KPIS)

To ensure the Company meets its objectives the Board evaluates the performance of the Investment Manager at least at each quarterly board meeting and takes into the following performance indicators:

- NAV – reviews the performance of the portfolio
- Discount to NAV – and reviews the average discount for the Company's share price against its peer group.

Share Capital and Share Buy-Backs

An active discount control mechanism to address the imbalance between the supply of and demand for ordinary shares using share buy backs is employed by the Broker and monitored by the Board. At the Annual General Meeting ("AGM") of the Company held on 30 October 2020, the Company was granted the general authority to purchase in the market up to 14.99% of the ordinary shares in issue. This authority will expire at the AGM to be held in November 2021.

In the year ended 30 June 2021 605,681 ordinary shares had been bought back and cancelled under the Company's share buyback programme. A further 7,585,249 ordinary shares were bought back following the Company's tender offer in November 2020. Since the year-end and up to 30 September 2021, being the latest practicable date prior to publication of the report, the Company bought back and cancelled 12,918,477 ordinary shares.

Share Buy-Backs to the Year-Ended 30 June 2021	30 June 2021		30 June 2020	
	Number of Shares	USD'000	Number of Shares	USD'000
Opening balance at 1 July	50,814,865	81,832	51,283,448	82,885
Shares issued during the year	-	-	-	-
Shares repurchased during the year	(605,681)	(1,180)	(468,583)	(1,053)
Tender Offer	(7,585,249)	(20,178)	-	-
Closing balance at 30 June	42,623,935	60,474	50,814,865	81,832

Substantial Share Interests

The following shareholders owned 5% or more of the shares in issue of the Company, as stated on the share register as at 30 June 2021.

Shareholder	Number of ordinary shares	Percentage of total shares in issue
Citibank Nominees (Ireland) Designated Activity Company	9,296,778	21.81
Lynchwood Nominees Limited	8,767,087	20.57
The Bank of New York (Nominees) Limited	4,367,779	10.25
Vidacos Nominees Limited	3,565,790	8.37
Euroclear Nominees Limited	2,445,231	5.74
Chase Nominees Limited	2,350,521	5.51

Notification of Shareholdings

In the year to 30 June 2021 the Company received notifications in accordance with Chapter 5 of the DTR (which covers the acquisition and disposal of major shareholdings and voting rights), of the following changes to voting rights by shareholders of the Company. It should be noted that for non-UK issuers, the thresholds prescribed under DTR 5.1.2 for notification of holdings commence at 5% of total voting rights, however notifications received below 5% have been received and are included in this reporting.

Shareholder	Number of voting rights	Percentage of total voting rights as at announcement date	Announcement date
City of London Investment Management Company Limited	11,538,829	22.7	20 July 2020
City of London Investment Management Company Limited	10,598,829	20.9	28 July 2020
City of London Investment Management Company Limited	8,707,769	17.2	05 October 2020
City of London Investment Management Company Limited	8,349,769	16.5	27 October 2020
City of London Investment Management Company Limited	6,407,706	14.9	18 November 2020
Euroclear Nominees Limited	9,726,412	22.7	26 November 2020
City of London Investment Management Company Limited	5,906,819	13.8	27 November 2020
City of London Investment Management Company Limited	5,480,176	12.8	10 February 2021
City of London Investment Management Company Limited	5,110,308	11.9	17 February 2021
De Pury Pictet Turrettini & Cie SA	2,132,262	4.9	30 April 2021

Since 30 June 2021 the Company received DTR 5.1.2 notifications of holdings as follows.

Shareholder	Number of voting rights	Percentage of total voting rights as at announcement date	Announcement date
De Pury Pictet Turrettini & Cie SA	0	0	18 August 2021
City of London Investment Management Company Limited	3,225,163	10.9	16 September 2021
Euroclear Nominees Limited	5,198,113	17.5	21 September 2021

Statement of Directors' Responsibilities in Respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the EU and applicable law. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies (Guernsey) Law, 2008. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors who hold office at the date of approval of this Director's Report confirm that so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware, and that each Director has taken all the steps he ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Compliance with Disclosure and Transparency Directive

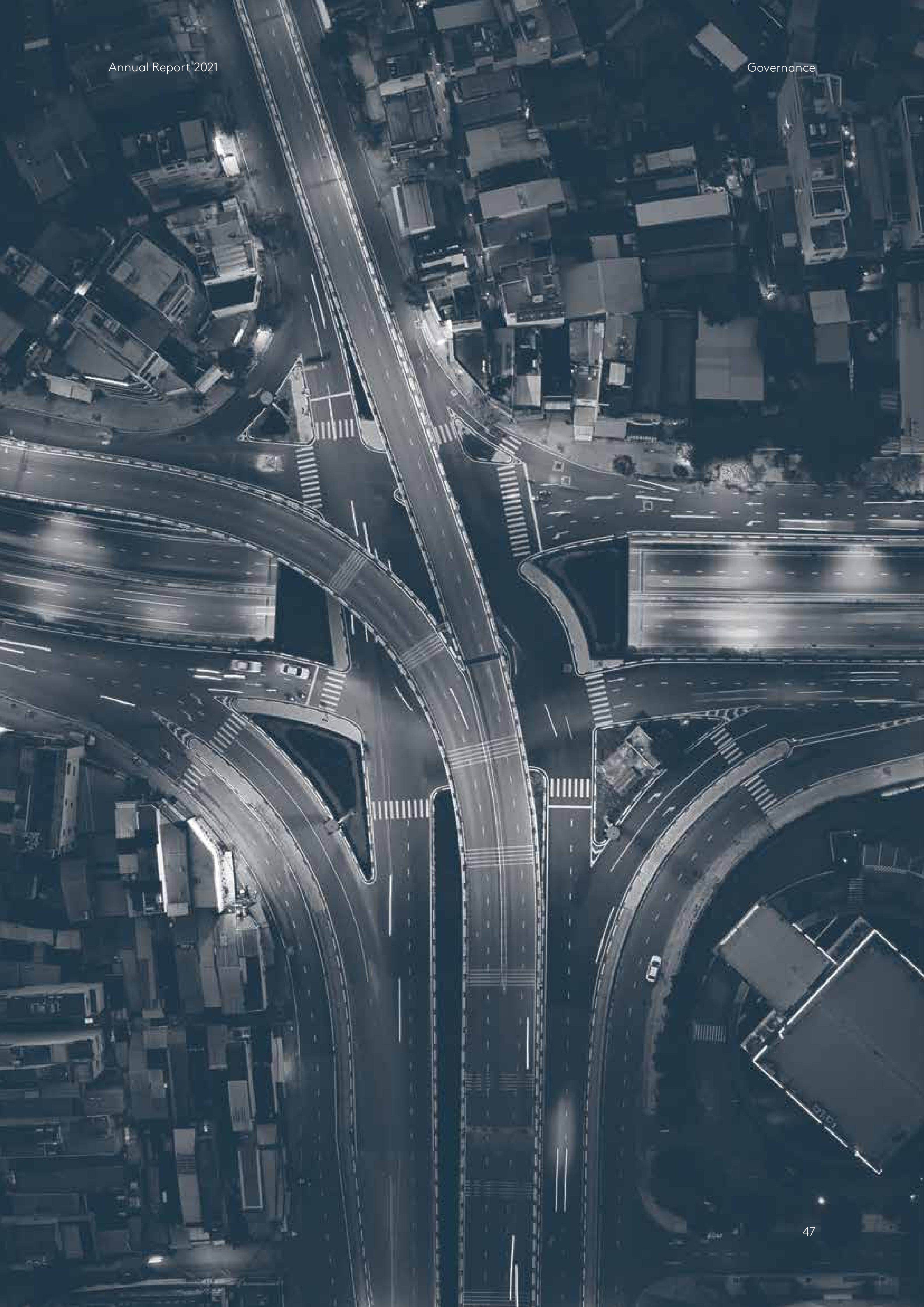
We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the International Financial Reporting Standards as adopted by the EU ("IFRS"), give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Directors' Report includes a fair review of the development and performance of the business and the position of the issuer, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and Financial Statements taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

For and on behalf of the Board

Hiroshi Funaki
Chairman
30 September 2021



Financial Statements

Independent Auditor's Report to the Members of VietNam Holding Limited

Our opinion is unmodified

We have audited the financial statements of VietNam Holding Limited (the "Company"), which comprise the statement of financial position as at 30 June 2021, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements:

- give a true and fair view of the financial position of the Company as at 30 June 2021, and of the Company's financial performance and cash flows for the year then ended;
- are prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS"); and
- comply with the Companies (Guernsey) Law, 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including FRC Ethical Standards, as applied to listed entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Key audit matters: our assessment of the risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matter was as follows (unchanged from 2020):

Valuation of Investments in securities at fair value

$193,108,385; (2020 $115,062,255)

Refer to page 38 to 39 of the Audit and Risk Committee report, note 2d accounting policies and note 12 disclosures

The risk	Our response
Basis:	*Our audit procedures included:*
The Company's investment portfolio consists of listed equity securities trading on the Vietnamese stock exchange (the "Investments"). These Investments, carried at a fair value, are valued by the Company based on quoted prices in an active market for that instrument.	***Internal Controls:*** We evaluated the design and implementation of the key control over the valuation of Investments. ***Use of KPMG Specialists:*** We engaged our own valuation specialist to independently price 100% of Investments to third party pricing sources.

Independent Auditor's Report to the Members of VietNam Holding Limited (continued)

The risk	Our response
Risk:	***Assessing disclosures:***
The valuation of investments, due to their magnitude in the context of the financial statements as a whole, is considered to be the area which has the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.	We considered the Company's disclosures (see notes 2b and 2d) in relation to the use of estimates and judgements regarding the valuation of investments and the Company's investment valuation policies and fair value disclosures in note 12 "Fair Value Information" for compliance with IFRS.

Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at $3,921,600, determined with reference to a benchmark of net assets of $196,080,470, of which it represents approximately 2.0% (2020: 2.0%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole. Performance materiality for the Company was set at 75% (2020: 75%) of materiality for the financial statements as a whole, which equates to $2,941,200. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding $196,080, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above, which has informed our identification of significant risks of material misstatement and the associated audit procedures performed in those areas as detailed above.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (the "going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risk that we considered most likely to affect the Company's financial resources or ability to continue operations over this period was availability of capital to meet operating costs and other financial commitments.

We considered whether this risk could plausibly affect the liquidity in the going concern period by comparing severe, but plausible downside scenarios that could arise from this risk against the level of available financial resources indicated by the Company's financial forecasts.

We considered whether the going concern disclosure in note 2(b) to the financial statements gives a full and accurate description of the directors' assessment of going concern.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period; and
- we have nothing material to add or draw attention to in relation to the directors' statement in the notes to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Company's use of that basis for the going concern period, and that statement is materially consistent with the financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of management as to the Company's policies and procedures to prevent and detect fraud as well as enquiring whether management have knowledge of any actual, suspected or alleged fraud;
- reading minutes of meetings of those charged with governance; and
- using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the Company's revenue streams are simple in nature with respect to accounting policy choice, and are easily verifiable to external data sources or agreements with little or no requirement for estimation from management. We did not identify any additional fraud risks.

We performed procedures including

- Identifying journal entries and other adjustments to test based on risk criteria and comparing any identified entries to supporting documentation; and
- incorporating an element of unpredictability in our audit procedures.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence, if any, and discussed with management the policies and procedures regarding compliance with laws and regulations. As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

Independent Auditor's Report to the Members of VietNam Holding Limited (continued)

Fraud and breaches of laws and regulations – ability to detect (continued)

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or impacts on the Company's ability to operate. We identified financial services regulation as being the area most likely to have such an effect, recognising the regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as this may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The directors are responsible for the other information. The other information comprises the information included in 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 an audit opinion or 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.

Disclosures of emerging and principal risks and longer term viability

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge. we have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the Viability Statement (page 43 - 44) that they have carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity;
- the emerging and principal risks disclosures describing these risks and explaining how they are being managed or mitigated;

- the directors' explanation in the Viability Statement (page 43 - 44) as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the Viability Statement, set out on page 43 - 44 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the directors' statement that they consider that theannual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess theCompany's position and performance, business model and strategy;
- the section of theannual report describing the work of the Audit Committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of theannual report that describes the review of the effectiveness of theCompany's risk management and internal control systems.

We are required to review the part of Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review. We have nothing to report in this respect.

We have nothing to report on other matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- the Company has not kept proper accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations, which to the best of our knowledge and belief are necessary for the purpose of our audit.

Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 46, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company'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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Members of VietNam Holding Limited (continued)

Respective responsibilities (continued)

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of this report and restrictions on its use by persons other than the Company's members as a body

This report is made solely to the Company's members, as a body, in accordance with section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew J. Salisbury
For and on behalf of KPMG Channel Islands Limited
Chartered Accountants and Recognised Auditors
Guernsey

30 September 2021

Statement of Financial Position

As at 30 June 2021

	Notes	2021 USD	2020 USD
Assets			
Non-current assets			
Investments at fair value through profit or loss	3	**193,108,385**	115,062,255
Total non-current assets		**193,108,385**	115,062,255
Current assets			
Cash and cash equivalents		**6,031,337**	2,561,173
Prepayments		**9,290**	—
Accrued dividends and interest		**30,153**	123,926
Receivables on sale of investments		**1,239,041**	—
Total current assets		**7,309,821**	2,685,099
Total assets		**200,418,206**	117,747,354
Equity			
Share capital	5	**166,645,041**	166,645,041
Reserve for own shares	5	**(106,170,790)**	(84,813,068)
Retained earnings		**135,606,219**	35,452,331
Total equity		**196,080,470**	117,284,304
Liabilities			
Payables on purchase of investments		**3,905,824**	177,546
Accrued expenses		**431,912**	285,504
Total liabilities		**4,337,736**	463,050
Total equity and liabilities		**200,418,206**	117,747,354

The financial statements on pages 55 to 74 were approved by the Board of Directors on 30 September 2021 and were signed on its behalf by

Hiroshi Funaki
Chairman of the Board of Directors

Philip Scales
Chairman of the Audit and Risk Committee

The accompanying notes on page 59 to 74 form an integral part of these financial statements.

Statement of Comprehensive Income

For the year ended 30 June 2021

	Notes	2021 USD	2020 USD
Dividend income from equity securities at fair value through profit or loss		**2,390,216**	2,773,731
Net gain/(loss) from investments at fair value through profit or loss	7	**100,730,119**	(21,037,053)
Net foreign exchange (loss)/gain		**(1,896)**	52,119
Interest income from investments at fair value through profit or loss		**694,162**	499,362
Other income		**163,128**	—
Net investment gain/(loss)		**103,975,729**	(17,711,841)
Investment management fees	8	**2,438,087**	1,971,628
Advisory fees		**111,579**	41,145
Directors' fees and expenses	8	**328,690**	416,854
Custodian fees	9	**146,875**	121,464
Administrative and accounting fees	10	**219,271**	259,198
Audit fees		**78,758**	57,512
Other expenses		**498,581**	512,459
Total operating expenses		**3,821,841**	3,380,260
Income/(loss) for the year		**100,153,888**	(21,092,101)
Other comprehensive income		**—**	—
Total comprehensive income/(loss) for the year		**100,153,888**	(21,092,101)
Basic and diluted earnings per share	14	**2.19**	(0.41)

The accompanying notes on page 59 to 74 form an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2021

	Share capital USD	Reserve for own shares USD	Retained earnings	Total USD
Balance at 1 July 2019	166,645,041	(83,760,308)	56,544,432	139,429,165
Total comprehensive loss for the year				
Change in net assets attributable to shareholders	—	—	(21,092,101)	(21,092,101)
Total comprehensive loss for the year	—	—	(21,092,101)	(21,092,101)
Transactions in shares				
Repurchase of own shares	—	(1,052,760)	—	(1,052,760)
Total transactions in shares	—	(1,052,760)	—	(1,052,760)
Balance at 30 June 2020	166,645,041	(84,813,068)	35,452,331	117,284,304
Balance at 1 July 2020	**166,645,041**	**(84,813,068)**	**35,452,331**	**117,284,304**
Total comprehensive income for the year				
Change in net assets attributable to shareholders	—	—	100,153,888	100,153,888
Total comprehensive income for the year	—	—	**100,153,888**	**100,153,888**
Transactions in shares				
Repurchase of own shares	—	(21,357,722)	—	(21,357,722)
Total transactions in shares	**—**	**(21,357,722)**	**—**	**(21,357,722)**
Balance at 30 June 2021	**166,645,041**	**(106,170,790)**	**135,606,219**	**196,080,470**

The accompanying notes on page 59 to 74 form an integral part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2021

	Notes	2021 USD	2020 USD
Cash flows from operating activities			
Total comprehensive income/(loss) for the year		**100,153,888**	(21,092,101)
Adjustments to reconcile total comprehensive income/(loss) to net cash from operating activities:			
Dividend income		**(2,390,216)**	(2,773,731)
Interest income		**(694,162)**	(499,362)
Net (gain)/loss from investments at fair value through profit or loss	7	**(100,730,119)**	21,037,053
Net foreign exchange loss/(gain)		**1,896**	(52,119)
Purchase of investments		**(87,370,357)**	(51,149,237)
Proceeds from sale of investments		**110,054,346**	45,573,044
Changes in working capital			
Increase in receivables on sale of investments		**(1,239,041)**	–
Increase in payables on purchase of investments		**3,728,278**	–
Increase/(decrease) in accrued expenses		**146,408**	(118,268)
Increase in prepayments		**(9,290)**	–
Decrease in payable on repurchases of own shares		**–**	(158,639)
Dividends received		**2,392,036**	2,920,653
Interest received		**786,115**	407,264
Net cash from/(used in) operating activities		**24,829,782**	(5,905,443)
Cash flows used in financing activities			
Repurchase of own shares		**(21,357,722)**	(1,052,760)
Net cash used in financing activities		**(21,357,722)**	(1,052,760)
Net increase/(decrease) in cash and cash equivalents		**3,472,060**	(6,958,203)
Cash and cash equivalents at beginning of the year		**2,561,173**	9,467,257
Effect of exchange rate fluctuations on cash held		**(1,896)**	52,119
Cash and cash equivalents at end of the year		**6,031,337**	2,561,173

The accompanying notes on page 59 to 74 form an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2021

1 THE COMPANY

VietNam Holding Limited (the "Company") is a closed-end investment company that was incorporated in the Cayman Islands on 20 April 2006 as an exempted company with limited liability under registration number 166182. On 25 February 2019, the Company, via a process of cross-border continuance, transferred its legal domicile from the Cayman Islands to Guernsey and was registered as a closed-ended company limited by shares incorporated in Guernsey with registered number 66090.

On 8 March 2019 the Company's ordinary shares were cancelled from trading on AIM and admitted to the Premium segment of the official list of the UK Listing Authority ("Official List") and trading on the main market of the London Stock Exchange ("Main Market"). On the same date the Company's shares were admitted to listing and trading on the Official List of The International Stock Exchange ("TISE").

The investment objective of the Company is to achieve long-term capital appreciation by investing in a diversified portfolio of companies that have high growth potential at an attractive valuation.

At the Extraordinary General Meeting held on 31 October 2018 the Shareholders voted in favour of the continuance resolution, authorising the Company to operate in its current form through to the 2023 Annual General Meeting when a similar resolution will be put forward for Shareholders' approval.

Dynam Capital, Ltd has been appointed as the Company's Investment Manager and is responsible for the day-to-day management of the Company's investment portfolio in accordance with the Company's investment policies, objectives and restrictions.

Sanne Group (Guernsey) Limited is the Company's administrator.

Standard Chartered Bank (Singapore) Limited and Standard Chartered Bank (Vietnam) Limited are the custodian and the sub-custodian respectively. Standard Chartered Bank (Singapore) Limited is also the sub-administrator.

The registered office of the Company is De Catapan House, Grange Road, St Peter Port, Guernsey, GY1 2QG.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements, which give a true and fair view, have been prepared in accordance with the International Financial Reporting Standards ("IFRSs") as adopted by the European Union and comply with the Companies (Guernsey) Law, 2008.

(b) Basis of preparation

The financial statements are presented in United States dollars ("USD"), which is the Company's functional currency. The financial statements have been prepared on a going concern basis, applying the historical cost convention, except for the measurement of investments at fair value through profit or loss.

Going concern

The Directors have reasonable expectations and are satisfied that the Company has adequate resources to continue its operations and meet its commitments for the foreseeable future and they continue to adopt the going concern basis for the preparation of the financial statements. In making this statement, the Directors confirm the Company's forecasts and projections have been stress tested taking into account the potential for (i) asset value declines, (ii) declines in cash dividends

Notes to the Financial Statements (continued)

For the year ended 30 June 2021

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

from equities held in the portfolio and (iii) share buybacks and tender offers. The Directors note that the underlying liquidity of Vietnamese stocks has increased significantly over the last twelve months with average daily traded volumes increasing by as much as five times the level of the prior year. The Directors also note that the portfolio is composed of a higher percentage of larger and more liquid stocks than in the prior year. Lastly, the Directors note that at year-end the portfolio is comprised of cash and quoted stocks only, with the only non-quoted asset being sold before the year-end. The Company's liquidity position, taking into account cash held and with the ability to sell underlying assets to meet share buybacks, tender offers and to meet the operating costs of the Company, shows that the Company is able to operate with appropriate liquidity and be able to meet its liabilities as they fall due. The Directors therefore have a reasonable expectation that the Company will have adequate resources to continue its operations for the foreseeable future and continue to adopt the going concern basis of accounting in preparing the financial statements.

The 4th wave of the Covid-19 pandemic, with the spread of the Delta variant, has required the government to adopt much stricter measures to control the situation, including significant periods of lockdown, leading to the most significant impacts to the economy since the beginning of the pandemic in 2020. The Investment Manager expects that many listed companies will record sharply reduced profitability for the third quarter of 2021. Although Vietnam was initially slow in vaccinating its population due to the shortage of supply, Vietnam has accelerated its vaccinations rate, and has procured (and been given) several million vaccine doses. Recently the vaccination rate reached 1 million doses a day. It is estimated that 30% of the adult population have received one dose already, and 6% two doses. In Ho Chi Minh City it is estimated that more than 90% of the adult population has received one dose, and more than 11% two doses. The government expects lockdown measures can be gradually relaxed in the fourth quarter of 2021. Since early 2020, the Company's portfolio has been rebalanced with greater focus on larger, more liquid stocks. Many of these companies have proved to be much more resilient to the crisis than smaller companies. Ironically, liquidity in the Vietnam stock market has increased during the pandemic, possibly influenced by the greater number of investors trading electronically through smartphones. It is estimated that the number of retail investors has increased by more than 1 million over the last twelve months, and this has buoyed market liquidity which reached as much as USD1.5 billion a day, recently.

Improved liquidity in the market and the portfolio was in evidence in August 2021 when the Investment Manager was able to generate close to 30% cash in the portfolio to fund the recent tender offer.

Critical accounting estimates and judgements

The preparation of financial statements in accordance with IFRS as adopted by the European Union requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimated and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Functional currency

The Company's shares were issued in USD and the listing of the shares on the Main Market and TISE is in USD. The performance of the Company is measured and reported to the investors in USD, although the primary activity of the Company is to invest in the Vietnamese market. The Board considers the USD as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date.

(c) Foreign currency translation

Transactions in foreign currencies other than the functional currency are translated at the applicable rates on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated to USD at the applicable rates on the year-end date. Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are included in the Statement of Comprehensive Income. Foreign currency exchange differences relating to investments at fair value through profit or loss are included in the realised and unrealised gains and losses on those investments within "Net gain/(loss) from investments at fair value through profit or loss" on the Statement of Comprehensive Income. All other foreign currency exchange differences relating to other monetary items, including cash and cash equivalents, are included in net foreign exchange gains and losses in the Statement of Comprehensive Income.

(d) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Classification

In accordance with IFRS 9, the Company classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

Financial assets

The Company classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- The entity's business model for managing the financial assets
- The contractual cash flow characteristics of the financial assets

Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company includes in this category accrued income, cash and cash equivalents and receivables on sale of investments.

Financial assets measured at fair value through profit or loss (FVTPL)

A financial asset is measured at fair value through profit or loss if:

(a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or

Notes to the Financial Statements (continued)

For the year ended 30 June 2021

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or

(c) At initial recognition, it is irrevocably designated as measured at FVTPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Company measures all its investments at FVTPL.

(ii) Recognition and initial measurement

Financial assets and liabilities at fair value through profit or loss are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument. Other financial assets and liabilities are recognised on the date they are originated.

Financial assets and financial liabilities at fair value through profit or loss are recognised initially at fair value, with transaction costs recognised in the Statement of Comprehensive Income. Financial assets or financial liabilities not at fair value through profit or loss are recognised initially at fair value plus transaction costs that are directly attributable to their acquisition or issue.

(iii) Subsequent measurement

After initial measurement, the Company measures financial instruments which are classified as FVTPL at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net gain or loss on financial assets and liabilities at FVTPL in the Statement of Comprehensive Income. Interest and dividends earned or paid on these instruments are recorded separately in interest income or expense and dividend income in the Statement of Comprehensive Income.

(iv) Derecognition

A financial asset is derecognised when the Company no longer has control over the contractual rights that comprise that asset. This occurs when the rights are realised, expire or are surrendered.

Financial assets that are sold are derecognised, and the corresponding receivables from the buyer for the payment are recognised on the trade date, being the date the Company commits to sell the assets.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

(v) Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Company measures instruments quoted in an active market at the last traded price.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would consider in pricing a transaction.

The Company recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

Any increases or decreases in fair value are recognised in the Statement of Comprehensive Income as an unrealised gain or loss from investments at FVTPL.

(vi) Impairment of financial assets

At each reporting date, the Company measures the loss allowance on financial assets carried at amortised cost at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses. The expected credit losses are estimated using a provision matrix based on the Company's historical credit loss experience adjusted for factors that are specific to the accounts receivables, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and exposure at the default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

(vii) Cash and cash equivalents

Cash comprises current deposits with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(e) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position when, and only when, the Company has a legally enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis or simultaneously, e.g. through a market clearing mechanism.

(f) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Repurchase, disposal and reissue of share capital (treasury shares)

Where the Company purchases its own share capital, the consideration paid, which includes any directly attributable costs, is recognised as a deduction from equity shareholders' funds through the Company's reserves for own shares. The reserves for own shares represents share capital which can be reissued in the future or subsequently cancelled. When such shares are subsequently sold or re-issued to the market any consideration received, net of any directly attributable incremental transaction costs, is recognised as an increase in equity shareholders' funds through the reserve of own shares account. The Directors have cancelled all the shares repurchased during the current and the previous year.

(g) Tax

Tax expense comprises current tax. Current tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Notes to the Financial Statements (continued)

For the year ended 30 June 2021

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

The Company is a tax resident in Guernsey and is subject to the standard rate of 0% on taxable income.

The Company is liable to Vietnamese transactional tax of 0.1% (2020: 0.1%) on the sales proceeds of the onshore sale of equity investments. The related taxes on onshore sales proceeds are accounted for at net amount in the Statement of Comprehensive Income.

(h) Interest income and expense

Interest income and expense is recognised in the Statement of Comprehensive Income using the effective rate method. The effective interest rate method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument – or, when appropriate, a shorter period – to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Directors estimate cash flows considering all contractual terms of the financial instrument but do not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

(i) Dividend income

Dividend income is recognised in the Statement of Comprehensive Income on the date on which the right to receive payment is established. For listed equity securities, this is usually the ex-dividend date. Dividend income from equity securities designated as at fair value through profit or loss is recognised in the Statement of Comprehensive Income as a separate line item.

(j) Fee and commission expense

Fees and commission expenses are recognised in the Statement of Comprehensive Income as the related services are performed.

(k) Earnings per share

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

3 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

Financial assets of the Company include investments at fair value through profit or loss, cash and cash equivalents, receivables on sale of investments, and accrued dividends and interest. Financial liabilities comprise payables on purchase of investments and accrued expenses. Accounting policies for financial assets and liabilities are set out in note 2.

The Company's investment activities expose it to various types of risk that are associated with the financial instruments and the markets in which it invests. The most important types of financial risk to which the Company is exposed are

market risk (which includes price risk, currency risk, and interest rate risk), credit risk and liquidity risk.
Asset allocation is determined by the Company's Investment Manager who manages the distribution of the assets to achieve the investment objectives. Divergence from target asset allocations and the composition of the portfolio is monitored by the Investment Manager.

Market risk

Market risk is the risk that the value of a financial asset will fluctuate as a result of changes in market prices (e.g. interest rates, foreign exchange rates, equity prices and credit spreads) whether or not those changes are caused by factors specific to the individual asset or factors affecting all assets in the market. The Company is exposed to market risk within its investments purchased in the Vietnamese market.

The overall market positions are monitored continuously by the Investment Manager and at least quarterly by the Board.

The Company's investments in securities are exposed to market risk and are disclosed by the following generic investment types:

	2021		2020	
	Fair value in USD	% of net assets	Fair value in USD	% of net assets
Investments in listed securities	193,108,385	98.48	109,053,083	92.98
Investments in unlisted securities	—	—	6,009,172	5.12
	193,108,385	98.48	115,062,255	98.10

At 30 June 2021, a 5% reduction in the market value of the portfolio would have led to a reduction in NAV and profit or loss of USD 9,655,419 (2020: USD 5,753,113). A 5% increase in market value would have led to an equal and opposite effect on NAV and profit or loss.

Currency risk

The Company may invest in financial instruments and enter into transactions denominated in currencies other than its functional currency. Consequently, the Company is exposed to risks that the exchange rate of its currency relative to other currencies may change and have an adverse effect on the value of the Company's financial assets or liabilities denominated in currencies other than USD.

The Company's net assets are calculated every month based on the most up to date exchange rates while the general economic and foreign currency environment is continuously monitored by the Investment Manager and reviewed by the Board at least once each quarter.

The Company may enter into arrangements to hedge currency risks if such arrangements become desirable and practicable in the future in the interest of efficient portfolio management.

Notes to the Financial Statements (continued)

For the year ended 30 June 2021

3 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

As at 30 June 2021, the Company had the following foreign currency exposures:

	Fair value	
	2021 USD	**2020 USD**
Vietnamese Dong	**195,378,974**	116,394,920
Pound Sterling	**3,903**	3,491
Swiss Franc	**2,628**	2,564
Euro	**54,097**	51,234
	195,439,602	116,452,209

At 30 June 2021, a 5% reduction in the value of the Vietnamese Dong, Pound Sterling, Swiss Franc, Euro versus the US Dollar would have led to a reduction in NAV and profit or loss of USD 9,768,949 (2020: USD 5,819,746), USD 195 (2020: USD 175), USD 131 (2020: USD 128) and USD 2,705 (2020: USD 2,562) respectively. A 5% increase in value would have led to an equal and opposite effect.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The majority of the Company's financial assets are non-interest-bearing. Interest-bearing financial assets and interest-bearing financial liabilities mature or reprice in the short-term, no longer than twelve months. As a result, the Company is subject to limited exposure to interest rate risk due to fluctuations in the prevailing levels of market interest rates.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered with the Company.

At 30 June 2021, the following financial assets were exposed to credit risk (including settlement risk): cash and cash equivalents, receivables on sale of investments and accrued dividends and interest. The total amount of financial assets exposed to credit risk amounted to USD 7,300,531 (2020: USD 2,685,099).

Substantially all the assets of the Company are held by the Company's custodian, Standard Chartered Bank (Singapore) Limited. Bankruptcy or insolvency of the custodian may cause the Company's rights with respect to cash and securities held by the custodian to be delayed or limited. The Company monitors its risk by monitoring the credit quality and financial positions of the custodian the Company uses.

As at 30 June 2021, the Company's custodian, Standard Chartered Bank (Singapore) Limited, was rated as A by Standard and Poor's, A1 by Moody's and A+ by Fitch (2020: A by Standard and Poor's, A1 by Moody's and A+ by Fitch).

Financial assets subject to IFRS 9's impairment requirements

The Company's financial assets subject to the expected credit loss model within IFRS 9 are cash and cash equivalents, and short-term receivables, including accrued dividends and interest, and receivables on sale of investments. As at 30 June 2021, the total of cash and cash equivalents, and short-term receivables was USD 7,300,531 (2020: USD 2,685,099). The Directors assessed the lifetime expected credit loss as at 30 June 2021 and concluded it to be immaterial (2020: loss immaterial). There is not considered to be any concentration of credit risk within these assets. No assets are considered impaired and no amounts have been written off in the year.

All short-term receivables are expected to be received in three months or less. An amount is considered to be in default if it has not been received 30 days after it is due.

Liquidity risk

The Company, a closed-end investment company, invests in companies through listings on the Vietnam stock exchanges. There is no guarantee however that the Vietnam stock exchanges will provide liquidity for the Company's investments.

The Company's overall liquidity risks are monitored on at least a quarterly basis by the Board. The Company is a closed-end investment company so Shareholders cannot repurchase their shares directly from the Company.

The Board has considered that there may be periods of time when parts of the portfolio are prone to higher liquidity risk, but is satisfied overall that the fixed liabilities of the Company can be met by income or from selling sufficient marketable securities even at periods of higher illiquidity.

Payables on purchase of investments and accrued expenses are generally payable within one year.

The table below summarises the maturity profile of the Company's financial assets and liabilities based on contractual undiscounted receipts and payments:

	On demand USD	0 to 1 month USD	1 to 3 months USD	Over 3 months to 5 years USD	No fixed maturity USD	Total USD
2021						
Cash and cash equivalents	6,031,337	—	—	—	—	66,031,337
Investment at fair value through profit and loss	—	—	—	—	193,108,385	193,108,385
Accrued dividends	—	—	30,153	—	—	30,153
Receivables on sale of investments	—	1,239,041	—	—	—	1,239,041
Total financial assets	6,031,337	1,239,041	30,153	—	193,108,385	200,408,916
Payables in purchase of investments	—	3,905,824	—	—	—	3,905,824
Accrued expenses	—	—	431,912	—	—	431,912
Total financial liabilities	—	3,905,824	431,912	—	—	4,337,736
2020						
Cash and cash equivalents	2,561,173	—	—	—	—	2,561,173
Investment at fair value through profit and loss	—	—	—	6,009,172	109,053,083	115,062,255
Accrued dividends and interest	—	—	123,926	—	—	123,926
Total financial assets	2,561,173	—	123,926	6,009,172	109,053,083	117,747,354
Payables in purchase of investments	—	177,546	—	—	—	177,546
Accrued expenses	—	—	285,504	—	—	285,504
Total financial liabilities	—	177,546	285,504	—	—	463,050

Notes to the Financial Statements (continued)

For the year ended 30 June 2021

4 OPERATING SEGMENTS

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. The Company is engaged in a single segment of business, being investment in Vietnam. The Board, as a whole, has been determined as constituting the chief operating decision maker of the Company. The key measure of performance used by the Board to assess the Company's performance and to allocate resources is the total return on the Company's NAV calculated as per the prospectus.

Information on gains and losses derived from investments are disclosed in the Statement of Comprehensive Income.

The Company is domiciled in Guernsey, Channel Islands. Entity wide disclosures are provided as the Company is engaged in a single segment of business, investing in Vietnam. In presenting information on the basis of geographical segments, segment investments and the corresponding segment net investment income arising thereon are determined based on the country of domicile of the respective investment entities.

In line with the Company's investment policy, the Company may invest:

- up to 25% of its NAV (at the time of investment) in companies with shares traded outside of Vietnam if a majority of their assets and/or operations are based in Vietnam;
- up to 20% of its NAV (at the time of investment) in direct private equity investments; and
- up to 20% of its NAV (at the time of investment) in other listed investment funds and holding companies which have the majority of their assets in Vietnam.

As of 30 June 2021, no individual investment exceeded 20% of the net assets attributable to Shareholders (2020: none).

All of the Company's investments in securities at fair value are in Vietnam as at 30 June 2021 and 30 June 2020. All of the Company's investment income can be attributed to Vietnam for the years ended 30 June 2021 and 30 June 2020.

5 SHARE CAPITAL

Ordinary shares of USD 1 each

Pursuant to its redomiciliation to Guernsey, the Company re-registered with an authorised share capital of USD 200,000,000 divided into 200,000,000 shares of a nominal or par value of USD 1.00 each. In line with the Company's new Articles of Incorporation, the Company may from time to time repurchase all or any portion of the shares held by the Shareholders upon giving notice of not less than 30 calendar days.

On 8 March 2019 the Company's ordinary shares were cancelled from trading on AIM and admitted to the Premium segment of the Official List and trading on the Main Market. On the same date the Company's shares were admitted to listing and trading on the TISE.

	2021 No. of shares	2020 No. of shares
Total shares issued and fully paid (after repurchases and cancellations) at beginning of the year	**50,814,865**	51,283,448
Shares issued upon exercise of warrants during the year	**—**	—
Shares cancellation	**(8,190,930)**	(468,583)
	42,623,935	50,814,865
Repurchased and reserved for own shares		
At beginning of the year	**—**	—
During the year	**(8,190,930)**	(468,583)
Shares reissued to ordinary shares	**—**	—
Shares cancellation	**8,190,930**	468,583
Total outstanding ordinary shares with voting rights	**42,623,935**	50,814,865

As a result, as at 30 June 2021 the Company has 42,623,935 (2020: 50,814,865) ordinary shares with voting rights in issue (excluding the reserve for own shares), and Nil (2020: Nil) are held as reserve for own shares.

Reserve for own shares

Reserve for own shares are the Company's own shares which had been repurchased. The amount represents share capital which can be reissued in the future or subsequently cancelled. All reserves are available for distribution subject to a solvency assessment.

During the year ended 30 June 2021 the Company repurchased and cancelled 605,681 ordinary shares (2020: 468,583 ordinary shares) under the Company's share buyback programme (representing 1.2% of the ordinary shares outstanding at 1 July 2020) at a weighted average NAV discount of 21.3%. This resulted in a 0.25% accretion to NAV per share.

The Company repurchased and cancelled a further 7,585,249 shares during the year ended 30 June 2021 following a tender offer for 15% of the Company's ordinary shares at a 2% discount to the prevailing NAV per share as at 30 October 2020 (2020: nil ordinary shares).

Total ordinary shares repurchased and cancelled during the year were 8,190,930 (2020: 468,583).

Holders of ordinary shares are entitled to attend, speak and vote at general meetings of the Company. Each ordinary share (excluding shares in treasury) earns one vote. Treasury shares do not carry voting rights.

Capital Management

The Company does not have any externally imposed capital requirements.

The Company's general intention is to reinvest the capital received on the sale of investments. However, the Board may from time to time and at its discretion, either use the proceeds of sales of investments to meet the Company's expenses or distribute them to Shareholders. Alternatively, the Company may repurchase its own ordinary shares with such proceeds from Shareholders pro rata to their shareholding upon giving notice of not less than 30 calendar days to Shareholders (subject always to applicable law) or repurchase ordinary shares at a price not exceeding the last published NAV per share.

6 NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

Total equity of USD 196,080,470 (2020: USD 117,284,304) represents net assets attributable to Shareholders. NAV per share as at 30 June 2021 is USD 4.600 (2020: USD 2.308).

Notes to the Financial Statements (continued)

For the year ended 30 June 2021

7 NET GAIN/(LOSS) FROM INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2021 USD	2020 USD
Realised gain/(loss) on disposal of investments	**15,275,568**	(2,483,703)
Realised foreign currency loss	**(326,765)**	(1,233,861)
Unrealised gain/(loss) on investments at fair value through profit or loss	**84,667,613**	(18,909,482)
Unrealised foreign currency gain	**1,113,703**	1,589,993
	100,730,119	(21,037,053)

8 RELATED PARTY TRANSACTIONS

Investment management fees

The Company entered into a new investment management agreement with Dynam Capital, Ltd on 26 June 2018. The agreement was amended and restated on 8 October 2018 and further amended and restated on 1 October 2020. The Board and the Investment Manager agreed to modify the management fee (previously on a sliding scale of 1.5% per annum on NAV below USD 300 million, 1.25% per annum on NAV between USD 300 – USD 600 million, and 1.0% per annum on NAV above USD 600 million) effectively from 1 November 2020.

Pursuant to the agreement the Investment Manager is entitled to receive a monthly management fee, paid in the manner set out as below:

- On the amount of the Net Asset Value of the Company up to but excluding USD 300 million, one-twelfth of 1.75%;
- On the amount of the Net Asset Value of the Company between and including USD 300 million up to and including USD 600 million, one-twelfth of 1.5%; and
- On the amount of the Net Asset Value of the Company that exceeds USD 600 million, one-twelfth of 1%.

The management fee accruing to the Investment Manager for the year ended 30 June 2021 was USD 2,438,087 (2020: USD 1,971,628). An amount of USD 273,919 (30 June 2020: USD 150,548) was outstanding as at 30 June 2021.

Incentive fees

Since inception of the Company, the Investment Manager, under the Investment Management Agreement, has been entitled to both a management fee and an incentive fee for its services to the Company. In the course of the marketing efforts for the Company during the previous year, feedback was received from a number of potential investors regarding incentive fees. In order to make the Company's shares more attractive to as wide a universe of investors as possible, and in close discussion with the Investment Manager, the Board agreed to remove the incentive fee from the previous Investment Management Agreement between the Company and the Investment Manager. The Company entered into a new amended and restated investment management agreement with Dynam Capital, Ltd dated 1 October 2020. Under the new amended and restated agreement effective from 1 November 2020, incentive fees (previously, 12% of any profits the Company made after clearing a hurdle rate of 8% and a high water mark were payable to the Investment Manager) have been removed.

There are no incentive fees accruing to the Investment Manager for the year to 30 June 2021 (2020: USD nil).

Directors' fees and expenses

The Board determines the fees payable to each Director, subject to a maximum aggregate amount of USD 350,000 (2020: USD 350,000) per annum being paid to the Board as a whole. The Company also pays reasonable expenses incurred by the Directors in the conduct of the Company's business including travel and other expenses. The Company pays for directors and officers liability insurance coverage.

The charges for the year for the Directors' fees were USD 313,443 (2020: USD 343,057) and expenses were USD 15,247 (2020: USD 73,797). The total Directors' fees and expenses for the year were USD 328,690 (2020: USD 416,854).

As at 30 June 2021, USD 8,250 (2020: USD nil) of Directors' fees were outstanding.

Directors' ownership of shares

As at 30 June 2021, Directors held 48,861 ordinary shares in the Company (2020: 45,500) as listed below.

Hiroshi Funaki	20,643	Shares	(disposed of 4,357 shares during the year)
Sean Hurst	8,218	Shares	(disposed of 2,282 shares and purchased a further 5,000 shares during the year)
Philip Scales	10,000	Shares	
Damien Pierron	5,000	Shares	(purchased 5,000 shares during the year)
Saiko Tajima	5,000	Shares	

Mr. Funaki is also a Director of Discover Investment Company which holds 2,197,681 ordinary shares in the Company representing 5.2% of the issued share capital. Discover Investment Company disposed of 532,452 shares during the year.

9 CUSTODIAN FEES

Custodian fees are charged at a minimum of USD 12,000 (2020: USD 12,000) per annum and received as a fee at 0.08% on the assets under administration ("AUA") per annum. Custodian fees comprise safekeeping fees, transaction fees, money transfer fees and other fees. Safekeeping of unlisted securities up to 20 securities is charged at USD 12,000 (2020: USD 12,000) per annum. Transaction fees, money transfers fees and other fees are charged on a transaction basis.

The charges for the year for the Custodian fees were USD 146,875 (2020: USD 121,464), of which USD 16,000 (2020: USD 10,200) were outstanding at year end.

10 ADMINISTRATIVE AND ACCOUNTING FEES

In accordance with the new Administration Agreement between the Company and Sanne Group (Guernsey) Limited (the "Administrator") dated 7 October 2019, the Administrator is entitled to receive a fee of 0.08% per annum of NAV up to USD 100,000,000, 0.07% of NAV thereafter subject to a minimum fee of USD 140,000 per annum. The administration fees are accrued monthly and are payable quarterly in advance. The charges for the year for Administration fees were USD 138,460 (2020: USD 161,318), of which USD 2,693 (2020: USD 5,000) were outstanding at year end.

The Sub-Administrator receives a fee as consideration for the services provided to the Company at such rates as may be agreed in writing from time to time between the Company and the Sub-Administrator. The charges for the year for Administration fees were USD 80,810 (2020: USD 60,678), of which USD 8,070 (2020: USD 6,161) were outstanding at year end.

Total administrative and accounting fees for the year were USD 219,271 (2020: USD 259,198).

11 CONTROLLING PARTY

The Directors are not aware of any ultimate controlling party as at 30 June 2021 or 30 June 2020.

12 FAIR VALUE INFORMATION

For certain of the Company's financial instruments not carried at fair value, such as cash and cash equivalents, accrued dividends, other receivables, receivables/payable upon sales/purchase of investments and accrued expenses, the amounts approximate fair value due to the immediate or short term nature of these financial instruments.

Notes to the Financial Statements (continued)

For the year ended 30 June 2021

12 FAIR VALUE INFORMATION (CONTINUED)

Other financial instruments are measured at fair value through profit or loss.

Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement and therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

- **Level 1:** Inputs that are quoted market prices (unadjusted) in active markets for identical instruments. This level includes listed equity securities on exchanges (for example, Ho Chi Minh Stock Exchange).
- **Level 2:** Inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level includes instruments valued using: quoted prices for identical or similar instruments in markets that are considered less than active; quoted market prices in active markets for similar instruments; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- **Level 3:** Inputs that are not based on observable market data (i.e. unobservable inputs). This level includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the Statement of Financial Position. All fair value measurements below are recurring.

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
2021				
Financial assets classified at fair value upon initial recognition				
Investments in securities	**193,108,385**	-	-	**193,108,385**
2020				
Financial assets classified at fair value upon initial recognition				
Investments in securities	109,053,083	-	6,009,172	115,062,255

There were no transfers between levels during the year.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Assessing whether an input is significant requires judgement including consideration of factors specific to the asset or liability. Moreover, if a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that fair value measurement is a Level 3 measurement.

There are no level 3 assets held at 30 June 2021, the convertible bonds including all the accrued interest receivable were paid during the year.

The fair value of a convertible bond not quoted in an active market would typically be determined by the Company using standard valuation methods, such as a discounted cash flow model. The convertible bond held at 30 June 2020 included a conversion option, which would typically be valued using the Black-Scholes model, and a put option, which would be factored into the discounted cash flow model.

To perform the discounted cash flow model, the Company used observable data derived from the contractual agreements, and unobservable inputs of a discount rate of 12.2%. The discount rate was derived from the reference discount rates obtained from brokers active in the bond market, specifically the average discount rates obtained from the market as the reference rate for the convertible bond at the measurement date in order to discount the estimated future cash flows, adjusted as appropriate for liquidity credit and market risk factors. Given the unlisted nature of the issuer of the bond, Black-Scholes modelling was not suitable, and due to the nature of the bond, the conversion option was valued as having no value. The valuation is based on the value of the put option, as the bond would be 'in-the-money' upon entering the put period.

The following table presents the movement in level 3 instruments by class of financial instrument for the years ended:

Convertible bond	2021 USD	2020 USD
Opening balance	**6,009,172**	—
Purchases	**—**	6,024,564
Net gain/(loss) from investments at fair value through profit or loss	**65,127**	(15,292)
Sales	**(6,074,299)**	—
Closing balance	**—**	6,009,172

There were no transfers in or out of level 3.

13 CLASSIFICATIONS OF FINANCIAL ASSETS AND LIABILITIES

The table below provides a breakdown of the line items in the Company's Statement of Financial Position to the categories of financial instruments.

	Fair value through profit or loss USD	Loans and receivables USD	Other liabilities USD	Total carrying amount USD
2021				
Cash and cash equivalents	**—**	**6,031,337**	**—**	**6,031,337**
Investment in securities at fair value	**193,108,385**	**—**	**—**	**193,108,385**
Accrued dividends	**—**	**30,153**	**—**	**30,153**
Receivables on sale of investments	**—**	**1,239,041**	**—**	**1,239,041**
	193,108,385	**7,300,531**	**—**	**200,408,916**
Payables in purchase of investments	**—**	**—**	**3,905,824**	**3,905,824**
Accrued expenses	**—**	**—**	**431,912**	**431,912**
	—	**—**	**4,337,736**	**4,337,736**
2020				
Cash and cash equivalents	—	2,561,173	—	2,561,173
Investment in securities at fair value	115,062,255	—	—	115,062,255
Accrued dividends and interest	—	123,926	—	123,926
	115,062,255	2,685,099	—	117,747,354
Payables in purchase of investments	—	—	177,546	177,546
Accrued expenses	—	—	285,504	285,504
	—	—	463,050	463,050

Notes to the Financial Statements (continued)

For the year ended 30 June 2021

14 EARNINGS PER SHARE

The calculation of basic and diluted earnings per share at 30 June 2021 was based on the total comprehensive income for the year attributable to Shareholders of USD 100,153,888 (2020: loss of USD 21,092,101) and the weighted average number of shares outstanding of 45,761,268 (2020: 50,947,804).

15 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

(i) Standards and amendments to existing standards effective 1 July 2021

The Board of Directors has assessed the impact, or potential impact, of all new standards and amendments to existing standards. In the opinion of the Board of Directors, there are no mandatory new standards and amendments applicable in the current year that had any material effect on the reported performance, financial position, or disclosures of the Company.

(ii) Standards effective after 30 June 2021 that have been early adopted by the Company

There are no standards effective after 30 June 2021 that are relevant to the Company.

16 EVENTS AFTER THE REPORTING DATE

From 1 July 2021 to the date of signing these financial statements, there were no material events that require disclosures and/or adjustments in these financial statements, except as disclosed below.

An extraordinary general meeting ("EGM") was held on 31 August 2021 whereupon the Board approved to make a tender offer to Shareholders of up to 30 percent of the Company's issued ordinary share capital and to renew the Company's share buyback power. 28,736,221 Ordinary shares were validly tendered and 12,737,184 Ordinary shares representing approximately 30 percent of the outstanding issued Ordinary shares of the Company as of that date were proposed to be tendered at the Tender Price.

The Company was notified on 16 September 2021 that Hiroshi Funaki, Non-executive Chairman, participated in the tender offer, tendering 6,756 ordinary shares of USD 1 each in the Company ("Ordinary Shares"). His resultant holding is 13,887 Ordinary Shares representing 0.05% of the issued share capital.

The Company was notified on 15 September 2021 that Philip Peter Scales, Director, participated in the tender offer, tendering 3,273 ordinary shares of USD 1 each in the Company ("Ordinary Shares"). His resultant holding is 6,727 Ordinary Shares representing 0.02% of the issued share capital.

The Company was notified on 15 September 2021 that Sean Hurst, Non-executive Director, participated in the tender offer, tendering 5,206 ordinary shares of USD 1 each in the Company ("Ordinary Shares"). His resultant holding is 2,012 Ordinary Shares representing 0.007% of the issued share capital.

The Company was notified on 16 September 2021 that Damien Pierron, Non-executive Director, participated in the tender offer, tendering 3,606 ordinary shares of USD 1 each in the Company ("Ordinary Shares"). His resultant holding is 1,394 Ordinary Shares representing 0.005% of the issued share capital.

The Directors intend to reinvest proceeds of the tender offer once the Company exits its current closed period relating to the publication of the forthcoming Annual Report.

Finally, the Company was notified on 15 September 2021 that Discover Investment Company ("DIC") participated in the tender offer, tendering 916,905 ordinary shares of USD 1 each in the Company ("Ordinary Shares"). DIC's resultant holding is 1,280,776 Ordinary Shares representing 4.31% of the issued share capital. Mr. Funaki the Non-executive Chairman is also a director of DIC.

From period 1 July 2021 to 30 September 2021, the Company bought back and cancelled 12,737,184 Ordinary shares following the tender offer and further 181,293 Ordinary shares under the Company's share buyback programme. The total shares bought back and cancelled during the period is 12,918,477 Ordinary shares.

Corporate Information

Alternative Performance Measures ("APMs") (unaudited)

Discount

The amount, expressed as a percentage, by which the ordinary share price is less that the NAV per ordinary share.

		Page	As at 30 June 2021
NAV per ordinary share (in pence)	a	1	333.0
Ordinary share price (in pence)	b	1	265.0
Discount	(b÷a)-1	1	20.4%

Ongoing charges

Ongoing charges for the year ended 30 June 2021 have been calculated in accordance with the Association of Investment Companies (the "AIC") recommended methodology. The ongoing charges for the year ended 30 June 2021 were 2.52%.

This is a measure calculated as a percentage of average NAV, of the regular, recurring annual costs of running an investment company.

		Page	As at 30 June 2021
Average NAV	a	1	146,258,398
Operating expenses	b	1	3,684,981
Ongoing charges figure (calculated using the AIC methodology)	(b÷a)	1	2.52%

a) Average NAV

This is twelve monthly closing average NAV for the year ended 30 June 2021.

(b) Operating expenses

Total annual expenses incurred by the Company less the cost of project and one off expenses i.e. non-recurring expenses; b = c-d.

Total annual expenses	c	USD 3,821,841
Total One-off expenses	(d)	USD 136,860
Operating expenses	b	**USD 3,684,981**

Corporate Information (continued)

Directors

Mr. Hiroshi Funaki
Mr. Sean Hurst
Mr. Philip Scales
Mr. Damien Pierron
Ms. Saiko Tajima

Investment Manager

Dynam Capital, Ltd
De Catapan House
Grange Road
St Peter Port
Guernsey
GY1 2QG

Registered Office, Company Secretary and Administrator

Sanne Group (Guernsey) Limited
De Catapan House
Grange Road
St Peter Port
Guernsey
GY1 2QG

Sub-Administrator, Custodian and Principal Bankers

Standard Chartered Bank (Singapore) Limited
7 Changi Business Park Crescent
Level 3, Securities Services
Singapore 486028

UK Legal Adviser

Stephenson Harwood LLP
1 Finsbury Circus
London
EC2M 7SH

Guernsey Legal Adviser

Carey Olsen (Guernsey) LLP
Carey House
Les Banques
St Peter Port
Guernsey
GY1 4BZ

Auditor

KPMG Channel Islands Limited
Glategny Court
Glategny Esplanade
St Peter Port
Guernsey
GY1 1WR

Market Researcher

Dynam Consultancy and Services
Company Limited
Floor 12, Deutsches Haus,
33 Le Duan,
Ben Nghe Ward, District 1
Ho Chi Minh City,
Vietnam

Corporate Broker and Financial Adviser

finnCap Ltd.
One Bartholomew Close
London
EC1A 7BL
(Nominated Adviser (AIM) until transference to LSE Main Market)

Registrar

Computershare Investor Services (Guernsey) Limited
1st Floor, Tudor House
Le Bordage
St Peter Port
Guernsey
GY1 1DB

DYNAM