VIETNAM HOLDING

Annual Report 2023

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.

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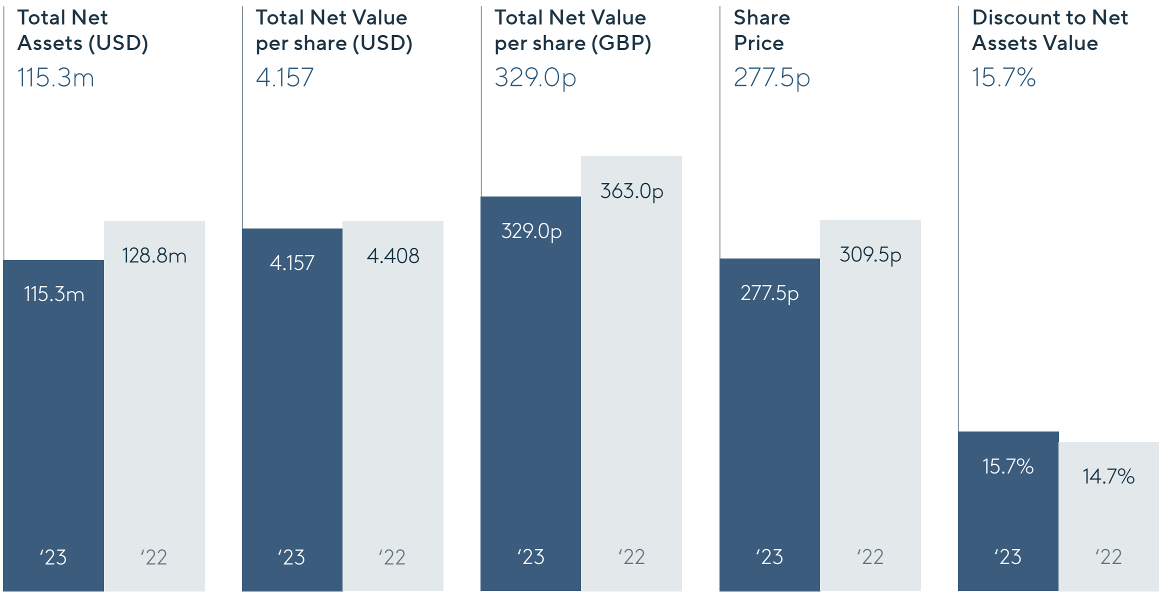
Financial Highlights

- Total NAV return was -5.7%
- Outperformed VNAS index by 4.3% during the year
- Outperformed VNAS index on 1, 3, 5 and 10 year basis

Operational Highlights

- Fund is invested in 26 positions
- Top-ten positions account for 62.4% of the NAV
- Fund received two five stars in latest UN PRI Transparency Report



As at 13 October 2023 (the latest available date before approval of the accounts), the discount to NAV had moved to 16.4%. The estimated NAV per share and mid-market share price at 13 October 2023 was 365.0p and 305.0p respectively.

Ongoing Charges

Ongoing charges for the year ended 30 June 2023 have been calculated in accordance with the Association of Investment Companies (the "AIC") recommended methodology. The ongoing charges for the year ended 30 June 2023 were 3.07%. Refer to page 67 for the definitions of Alternative Performance Measures ("APMs") together with how they have been calculated.

Year end 30 June 2023		USD
Average NAV	a	111,710,032
Operating expenses*	b	3,433,537
Ongoing charges	b/a	3.07%

*Operating expenses per the financial statements less non-recurring expenses of USD 8,557.

Company Overview

Focused Investment Approach

Portfolio of 26 companies with 62.4% in top-ten positions. The portfolio has a price-to-earnings valuation of circa 8x and an earnings growth forecast of circa 17% for 2024.

DYNAM CAPITAL

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.

VIETNAM HOLDING

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 ("PRI") for over a decade and received five-star scores in the recent PRI 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", the "Fund" 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 ("PRI"), 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 pleased to present the Annual Report for VietNam Holding Limited for the twelve-month period ending 30 June 2023.

Although this has been a turbulent year globally, including in Vietnam, I am pleased to report that the Fund has once again outperformed peers and the Vietnam All Share Index ("VNAS").

I wrote in the interim report earlier this year about many of the reasons for the market disturbances. Some were global, however, some also were very local. As the Investment Manager notes in his report, there is often a 'game of two halves' going on, and this year has been no exception.

In the first six months of the financial year, the Company's Net Asset Value ("NAV") per share declined by 16.8%, but in the second half of the year (from 1 January 2023 until 30 June 2023) rose by 13.3%. The total NAV return was still negative, at -5.7%, but this was 4.3% better than the VNAS.

The Company's Total Assets were USD 116,191,137 at 30 June 2023, a decrease of 10.1% from USD 129,177,449 at 30 June 2022. Total Comprehensive loss was USD 8,622,089 at 30 June 2023 compared with a loss of USD 7,719,310 in the corresponding period in 2022. Although VNH's NAV has declined in absolute numbers, the focus, active management, and nimble performance of the Investment Manager have led to a significant relative outperformance against the market as a whole, as well as most of its peers.

The share price has fluctuated throughout the year, reaching a year high of GBP 3.375 per share and a low of GBP 2.21 per share. Contributing factors to the ups and downs include the NAV's movements, the GBP/USD exchange rate and the discount volatility.

Market and Opportunity
The Board visited Vietnam in March of this year and sat down with the Investment Manager to go through their strategy, meet with the research team and also to review in depth with the team one of the top five holdings.

We came away from the meeting feeling confident about several fronts. Firstly, Vietnam remains a dynamic investment opportunity. Despite periods of volatility and market depression, the underlying macro story and potential for the country and its companies are both tremendous and distinctive. Secondly, its public markets offer a rare mix of growth that is not based on financial gearing and is at modest valuation levels and indeed at historical lows. Thirdly the structural improvements in liquidity will continue this year with more enhancements made to the stock market infrastructure, which also makes us more convinced that it is only a matter of time before the market is considered for an upgrade to Emerging Market Status. Finally, Dynam Capital, our Investment Manager has proven themselves to be a nimble, focused team, punching above their weight, and delivering superior risk adjusted returns in both financial and environmental, social and governance ("ESG") terms.

Progress over past 5 years
When we appointed Dynam Capital five years ago, we set out three main objectives. Firstly, to provide solid risk adjusted returns for shareholders. Secondly, to build on and develop an ESG centered investment strategy fit for purpose. Thirdly, to use all means possible to narrow the discount between the Company's share price and NAV. In addition, we also set forth a dedicated marketing plan to broaden the shareholder base, in an attempt to increase the visibility of the Fund and its liquidity and ultimately attract retail and wealth management platforms, which we felt would be natural buyers of a focused, yet niche investment company structure.

I report on each of these below:

Risk Adjusted Returns

Performance
In the twelve months to 30 June 2023 the Company's NAV per share declined by 5.7%, while the market as a whole, as measured by the VNAS, declined by 10.0%. In the first six months of the financial year the NAV per share fell by 16.8%, against an index fall of 20.5%, and in the second six months the Company's NAV rose by 13.3% in line with the index, which rose by 13.2%. At 30 June 2023, the Company has outperformed the VNAS on 1, 3, 5 and 10-year measures.

Performance monitoring remains a key focus of the Board and we engage closely with our Investment Manager in this respect through monthly conference calls as well as quarterly presentations. A more detailed account of the Company's annual performance is also provided in the Investment Manager's Report.

ESG Strategy

Responsible Investing and Sustainability Reporting
The Investment Manager and the Board have been committed to responsible investing and aligned approach to ESG years

before the mainstream global investing community moved in this direction. The Company has been a signatory to the United Nations' Principles on Responsible Investing ("PRI") since 2009, and in its most recent PRI assessment scored two 'five-stars' reflecting our efforts to contribute to responsible investing in Vietnam in a meaningful way.

The Company and the Investment Manager were sponsors of the inaugural ESG Investing Conference held in Ho Chi Minh City on 31 May and 1 June 2023. We helped the organisers deliver two full days of content to a packed audience of close to 350 participants.

We also have been measuring the carbon footprint of both the Company and the portfolio for several years, and this year's findings are in the *Sustainability Report*. It is worth noting that unlike in previous years, when the portfolio had a significantly lower carbon footprint than the market as a whole, at this reporting date, our footprint is slightly higher than the index. The key reason for this is that we have backed a company that is in transition – Petro Vietnam Services ("PVS") which has one of the country's largest fleets of specialised offshore supply vessels, historically used to implement and maintain oil and gas infrastructure. PVS has stated its ambition to become one of the leading service providers in renewable energy – specifically onshore and offshore wind energy. Over time, we believe PVS's transition to clean energy will result in a lower overall carbon impact, even if it distorts our reported carbon footprint for the reporting period.

Discount

During the year the Company's shares traded at an average discount to NAV of 15.7%. The Board seeks to manage the discount through regular share buybacks, as detailed below. In addition to delivering a strong relative performance of the Company's portfolio, the Investment Manager, in close cooperation with the Board and the Company's broker and marketing agent, has maintained an active investor relations program. For much of the year the discount has been the narrowest of the three London listed investment companies focused on Vietnam. At the time of writing the discount was 16.4%.

Marketing

With the help of the Investment Manager, Dynam Capital, 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 conducted roadshows, topical seminars, podcasts, and several webinars. Articles produced by the Investment Manager have also appeared in trade media, illustrating some of our core investment themes, and other exciting developments in the market. Our analysis shows that the marketing and communications efforts continue to bear fruit. We are delighted to see a greater number of wealth management platforms on the share register having also seen the overall mix of investors broaden considerably over recent years. The Investment Manager has maintained a strong social media presence for the Company as well. We welcome all Shareholders who may be reading this Annual Report for the first time and thank all existing holders for their ongoing support.

Share Buybacks

The Board has a mandate 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, and this was renewed at the AGM on 1 November 2022. In the year from 1 July 2022 to 30 June 2023, the Company bought back 1,500,563 shares (representing 5.1% of the shares outstanding at 1 July 2022) at a weighted average discount of 15.2%. This resulted in a 0.78% accretion to NAV per share. From September 2017, when the current Board was appointed, through until 30 June 2023, the Company has bought back 14.82 million shares at a weighted average discount of -15.4%. This represents a 3.4% accretion to NAV per share.

Continuation vote

As you will know, at the AGM in 2018 we told shareholders we would bring a five-yearly continuation vote to the 2023 AGM, which will take place this November.

As detailed above, we believe the market opportunity for the Fund remains, despite the Company's relatively modest size, and that the Investment Manager is doing an excellent job in delivering on the Company's investment objectives.

The Board (and Dynam Capital) maintain a regular dialogue with shareholders and believe that many share our view that the Company should continue for a further five years. A resolution to that effect will be put to shareholders at the Company's AGM later this year. As such, the Directors will be recommending that shareholders vote to approve the continuation of the Company for a further five years and we propose a new continuation vote to be held in November 2028.

On behalf of the Board, I would like to extend a further thank-you to shareholders for your ongoing support throughout the past year. While the global mood is gloomy, we believe Vietnam remains a bright spot – an attractive investment destination with good prospects for further growth over the years to come.

Hiroshi Funaki
Chairman
VietNam Holding Limited
13 October 2023

Investment Manager's Report

Vu Quang Thinh

CIO and Managing Director

Craig Martin

Chairman and Managing Director

This year marks the 17th anniversary of the Company and its listing in London[1]. Over this time, the Company, which is just six years younger than Vietnam's stock market, has seen Vietnam grow dramatically not only in absolute terms, but in stature and visibility. While the country's stock markets have also grown at an average annual rate of 4%, VNH has outperformed the market on a 1, 3, 5 and 10-year basis. Nevertheless, the market can be volatile and there have often been periods, lasting 6 to 12 months of significant weakness in the equity markets. The past twelve months was, as with previous annual periods, a 'game of two halves'.

From 1 July to 31 December 2022, Vietnam's stock market experienced a sharp decline. Markets are always fickle friends, and in Vietnam, they are often also hostage to the mood of the country's seven million or so domestic retail investors. That mood darkened in Q4 last year following the arrests of some high-profile property entrepreneurs, which brought the bond and real estate markets to an abrupt halt in the face of uncertainties over issuing bonds and refinancing existing obligations. Several large, listed property groups faced liquidity and solvency issues, and were forced to start the lengthy process of restructuring their borrowings from local and international investors. Towards the end of December, two deputy prime ministers were removed from office, and in January 2023, the President stepped down, for failure to resign in the mistakes of some government officials, and in the wake of a scandals relating to PPE procurement and COVID-19 repatriation flights.

The mood has brightened somewhat in more recent months. Interest rate cuts, bottom fishing by local and regional investors, and a returning 'sense of order', despite the global disorder, have all helped the stock market to post six-month gains of around 13.2% at the end of June 2023.

This 'sense of order' includes ever increasing levels of foreign direct investment ("FDI") and a record trade surplus, albeit because of imports falling faster than exports. Vietnam has a very open trade-based economy, and weaker global demand for technology goods - computers, tablets, mobile phones and accessories – has naturally hit its usually high export growth. This also has had a knock-on effect on consumer confidence.

The record USD 12.25 billion trade surplus in the first half of calendar 2023 and rising levels of disbursed FDI have enabled the country to keep a relatively stable foreign-exchange balance, stemming off the weakness in the Vietnam Dong seen last year.

Inflation has also remained under control. Unlike in Europe or the US, Vietnam has a lower energy exposure in its cost of goods basket: half of its energy mix is domestically sourced, including a reliance on hydropower.

Portfolio

Investors in the Company should recognise the value of having a closed-end fund structure. This means that we do not need to ordinarily maintain liquidity for the sake of funding redemptions. We have a concentrated portfolio that allows us to take conviction positions in core companies. For example, our top-holding, FPT, has averaged between 10-15% of the portfolio over the past five years. This would not be possible in a regulated open-end fund (UCITS for example). Our top ten positions account for 62% of the portfolio and our top 5 for 41%.

[1] The Company was initially listed on AIM in July 2006 and then moved to the premium segment of the main board of the London Stock Exchange in March 2019.

The level of concentration means that we need to be focused on finding robust companies, with strong positions in their sectors and industries, and with the ability to compound their earnings over a five to ten year period. As an example of this FPT has a compound annual growth rate in earnings of 21.5% in the last 3 years.

We use our size to our advantage. We navigate nimbly around the market capitalisation opportunity set in Vietnam. Although our median portfolio market capitalisation remains at around USD 1bn, a decrease of 6% over the year, we are uniquely size agnostic.

Phu Nhuan Jewelry JSC ("PNJ"), for example, was a USD 100m market cap company when the Company first invested over a decade ago - putting it at the small-to-medium category. As at 31 August 2023, it has a market capitalisation equivalent to USD 1.096bn, making it a 'large cap' company.

We do not have to sell companies when they become large, and nor do we have to reduce the smaller companies on liquidity grounds. Our portfolio philosophy is an active one: our active weight has been around 70% over the past five years, and our portfolio turnover has been in the range of 30 to 40%.

Performance

As described in the interim report as of 31 December 2022, the first six months of the financial year saw significant volatility in the Vietnamese stock market. During this period, the NAV per share fell by 16.8%, outperforming the Vietnam All Share Index's ("VNAS") decline of 20.5%. Towards the end of the second half of the financial year, the equity markets themselves started to recover, rising by 13.2% as of June 2023 with the Company's NAV per share similarly finishing the period up.

At 30 June 2023, the NAV per share declined by 5.7% for the full financial year in accordance with the drop reported for the previous financial year. Nonetheless, unlike this time last year, we are optimistic about the second half of calendar 2023. The Company continues to outperform its peers, and has also outperformed the VNAS on a 1, 3, 5 and 10-year basis. The Company's share price still fell by 10% during the financial year due to a combination of the 5.7% decline in NAV per share and a slightly wider discount between the share price and the NAV.

Liquidity

Portfolio liquidity remains robust, and we estimate that over 95% of the portfolio could be liquidated in less than 30 days.

The portfolio's size and nimbleness as per our style of investment management means that we can navigate across the spectrum of company sizes, and we believe this has contributed to the outperformance of the Company versus the index and our peers. We have been able to take profit in sectors that surged last year and move swiftly as market forces and economic mood changes.

Although the Fund's investment policy allows up to 20% of the assets to be invested in unlisted or pre-IPO 'private equity' type deals, the Fund is currently only invested in listed securities, and all are valued as 'Level 1' – see Valuation in the notes to the Financial Statements page 65. In 2018 we increased the exposure to some pre-IPO opportunities, including making a three-year convertible loan to a logistics company, but following the complete return of that investment, we have not made any further such investments. Given the forthcoming continuation vote, we did not want to set false expectations in the minds of potential investee companies or do the Board or shareholders in the Company a disservice by tying their hands to a significant illiquid position should the continuation vote not pass.

As of 30 June 2023, the portfolio has about 1.5% of NAV in cash.

Positioning and Core Themes

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 underpinned by the banking sector.

Industrialisation

Over the past thirty years Vietnam has emerged as a key manufacturing centre for a wide range of goods. The country's GDP growth has been fueled by FDI into the industrial and manufacturing-for-export sectors. The trend of 'made-in-Vietnam' has been accelerated by the 'China-plus-one' strategy of global manufacturers, seeking to de-risk their supply chains. The war in Ukraine, and the economic isolation of Russia, has also played into these fears, with many companies looking to spread their production more evenly over the world. Some commentators have called this the beginning of the end of globalisation. What is perhaps more likely is a continuation of the trend of supply chain restructuring. Some companies will look to re-shore manufacturing back home, others to

Investment Manager's Report (continued)

Industrialisation (continued)

near-shore (i.e., increase production in Mexico for North American markets) and others to friend-shore. The latter category is where Vietnam is likely to attract the most increased interest.

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 during the past year through the business-to-business 'linkages', mainly through industrial parks and logistic companies. These typically have a higher quality of earnings and higher return on equity than the individual exporters. A core holding in this area is the leading port operations and shipping company Gemadept ("GMD"), which at 5.4% of NAV is the sixth largest position in the portfolio.

Urbanisation

Vietnam's urbanisation level in 2022 was about 37%. This is a level that China reached in 2000, before doubling within twenty years. According to a UN forecast[2], Vietnam's urban population is expected to reach 44% by 2030. In last year's annual report, we spoke about the multiplier effect of investments in domestic infrastructure, giving as an example the opening in May 2022 of a new bridge across Ho Chi Minh City's Saigon River, connecting the down-town District 1 hub to the Thu Thiem peninsular, a region already demarcated to be a new 'metropolis'.

While the prospects for urban growth remain intact – because Vietnam will need to build millions of new houses over the next two decades – the real estate sector has been in the doldrums for much of this year. At the end of 2022, we had a 15% exposure to the real-estate sector, but were quick to reduce this in the face of weakening short-term potentials and, indeed, managed to escape the worst of the turmoil to hit some of the companies in the sector. At the end of 2023, our exposure to real-estate was 9.4% and much of this was to the industrial park sector, as opposed to the frozen residential market. We are confident that some of the key names in the sector will survive and thrive, and we may well add back to some of these in the months ahead.

Domestic Consumerism

We believe the Vietnam economy is at an inflection point in its development, and that the consumer sector will develop strongly in years to come. In May 2023, we hosted a webinar on the retail sector and invited a speaker from PNJ to address our investors and talk about some of the key longer-term trends. That said, higher interest rates, rising costs and weaker manufacturing for export during the year have softened consumer demand in several categories. Our portfolio companies have not escaped, and our two retail champions, PNJ (jewellery) and Mobile World Group ("MWG") (an omni-channel, omni-sector retailer) have seen their share prices depressed. At the end of June 2022, the portfolio had approximately 17.8% exposure to the domestic retail sector, including PNJ, 8.1% of NAV, and MWG, 9.2% of NAV. By the end of June 2023, the sector allocation had reduced to 7.8%, with PNJ and MWG down to 5.1% and 2.7% respectively.

Banks and financial sector

VNH's allocation to banks has increased again from 22% at 30 June 2022 to 30% at 30 June 2023, as we see a more favorable interest rate environment, and renewed credit growth. Although 30% is significant, and the limit for a single sector in the Fund's investment policy, this is an underweight position relative to the index. Key portfolio names in the portfolio include Sacombank ("STB"), 10.1% of NAV; MBB, 5.7% of NAV; VCB 5.7% of NAV; Vietin Bank ("CTG"), 3.0% of NAV; ACB, 3.3% of NAV; and VP Bank, 1.8% of NAV.

In addition to banks, we have also re-entered the brokerage sector, with a 10% allocation across several brokerages. This is a sector we have made strong gains in historically, and we have never been afraid to take profits. We think that the sector will also benefit from returning domestic investor appetite, in part as domestic interest rates on bank deposits are reduced.

Responsible investing

The Company is firmly focused on sustainability and has placed environmental, social and governance ("ESG") principles at the heart of its investment criteria for over a decade, having become an early signatory to the United Nations Principles for Responsible Investing ("PRI") in 2009, just three years after the principles were published, and before any other fund in Vietnam. The Company received two 'five-star' grades in its most recent PRI assessment report.

Each component of ESG is equally important. For Vietnam, the 'S' has been at work in its society for many decades and the pandemic has forced further efforts at several of our portfolio companies on harmonising staff, shareholders and impacts on society at large. 'G' has always been a key pillar for VNH's investment approach, and we have been at the forefront of advocating and training for corporate

[2] *https://population.un.org/wup/Publications/Files/WUP2018-Highlights.pdf*

governance at our investee companies since the Company's formation 17 years ago. Our CEO, Vu Quang Thinh, is a co-founder and member of the board of the Vietnam Institute of Directors ("VIOD"), and highly regarded for encouraging companies in Vietnam to improve their corporate governance standards. We actively engage with our portfolio companies, urging them to give more attention to investor relations and transparent reporting. We 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, and rightly so, taken centre stage in many investors' minds and at the same time become a greater priority for Vietnamese people. On the climate front, the Investment Manager and the Company have both affirmed the Paris Agreement and our commitment to the Task Force for Climate-related Financial Disclosure ("TCFD"). 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*.

We were sponsors of the inaugural ESG Investor Conference held over two days at the end of May 2023 where we reiterated our focus to 'Doing More, Measuring More and Reporting More'. Over the two days it became apparent that the ESG journey is one that the Fund can both participate in, and benefit from. We do not need to sacrifice consistent returns as a responsible investor. There may be opportunities in the short term that we choose to pass on. We look for companies that can compound their earnings over a five-year period. The discipline that comes with an integrated ESG approach can help deliver longer-term sustainable growth that outweighs the short-term benefits of one or two stocks that could 'pop' in a portfolio.

Outlook

As we move into the second half of 2023, sentiment globally remains subdued. Although recessionary risks remain less severe for Asia than in the West, a global recession is still possible, and this could hit Vietnam's export growth further.

In last year's annual report, we emphasised the favourable economic effects of government spending on infrastructure. This was under-budget in the first half of 2022 and struggled to achieve expectations in the second half, probably because certain officials were nervous about making necessary decisions. Nevertheless, there is mounting evidence of these expenditures happening with far less political commotion.

In recent months, we have also seen a steady rebound in domestic and international tourism in Vietnam. In May 2023, Chinese tourists started to return to Vietnam after a three-year absence. North Asia has historically been a key source of international tourism for Vietnam. In fact, the level of added activity is putting further pressure on the country's airports.

We are optimistic on the prospects of further recovery over the next six to twelve months, and believe that patience by investors in the Fund will be rewarded. The Chairman of VNH mentioned the upcoming continuation vote in his letter. We believe we have delivered value for investors over the five years in which Dynam Capital has been the Investment Manager and look forward to the continuation of our investment mandate.

Our objective is to position the portfolio for growth within a three to five-year investment horizon. As always, 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.

We remain committed to delivering on the trust put in us by the board of VNH, and by the investors in the Company, many of whom we have met with or spoken to over the course of the past twelve months.

As an Investment Manager, we aim to execute simple things well while staying active and nimble throughout the process. Our team is honoured to manage the Fund and will continue to focus on 'Doing More, Measuring More and Reporting More' to you, our investors.

Investment Manager's Report (continued)

Top 10 Companies by NAV as at 30 June 2023 (and as at 30 June 2022)

Top 10 companies as at 30 June 2023	Sector	% NAV
FPT Corporation	Telecommunications	12.6%
Sacombank	Banks	10.1%
PV Technical Services JSC	Oil and Gas	6.9%
Military Commercial Bank JSC	Banks	5.7%
Vietcombank	Banks	5.7%
Gemadept Corp	Industrial Goods and Services	5.4%
Phu Nhuan Jewelry JSC	Retail	5.1%
IDICO Corp JSC	Real Estate	4.0%
Ho Chi Minh City Securities	Financial Services	3.6%
Asia Commercial Bank	Banks	3.3%
Total		**62.4%**

Top 10 companies as at 30 June 2022	Sector	% NAV
FPT Corporation	Telecommunications	11.5%
Mobile World Investment Corp	Retail	9.2%
Gemadept Corp	Industrial Goods and Services	8.5%
Phu Nhuan Jewelry JSC	Retail	8.1%
Sacombank	Banks	5.6%
Khang Dien House	Real Estate	5.4%
Hai An Transport & Stevedori	Industrial Goods and Services	5.4%
Military Commercial Bank JSC	Banks	5.2%
Vietnam Prosperity JSC Bank	Banks	4.6%
Vietnam JS Commercial Bank F	Banks	4.0%
Total		**67.5%**

Dynam Capital, Ltd
13 October 2023

Top Five Portfolio Companies

FPT Corp ("FPT")

As at 30 June 2023

VietNam Holding's investment

Date of first investment	10 December 2012
Ownership	0.36%
Percentage of NAV	12.6%
Internal rate of return (annualised)	25.4%

Share information

Stock Exchange	HOSE
Date of listing	13 December 2006
Market capitalisation (USD million)	4,027
Free float	84.4%
Foreign ownership	49%

Financial indicators (as at 31 December)	**2022**	**2021**
Capital (USD million)	465.1	390.1
Revenue (USD million)	1,866.0	1,532.7
EBIT (USD million)	288.1	232.8
NPAT (USD million)	275.2	229.9
Diluted EPS (VND)	4,429	3,618
Revenue growth	21.7%	18.6%
NPAT growth	19.7%	20.0%
Gross margin	39.0%	38.2%
EBIT margin	15.4%	15.2%
ROE	27.8%	26.7%
D/E	0.49	0.94

About the Company

Founded in 1988, FPT is a software developer that provides a range of IT and telecom services to international and local companies. The company has held the leading position in the local IT industry in Vietnam since 1996, is a brand-name distributor and retailer of IT and communication products, supplies broadband internet and Pay-TV services, and operates educational programs in Science, Technology, Education and Math ("STEM") for 108,100 students at various age-groups.

FPT has transformed itself from an IT services company to an end-to-end digital transformation service provider and operates from 290 offices and branches across 29 countries (as of 31 December 2022) and continues to expand its overseas presence. Its digital transformation services' revenue reached a record USD 312m in 2022. The company also owns and operates core telecoms infrastructure in Vietnam with a main North-South backbone, which has recently been upgraded from copper wire to fiber-optic cables.

As of 31 December 2022, FPT employees 42,408 employees, including 28,533 engineers and technology experts, across its eight subsidiaries.

Recent Developments

Despite the challenging economic conditions, FPT achieved a strong financial performance with revenue and profit after tax of USD 1,866m and USD 275m, a 21.7% and 19.7% YoY growth, respectively. Global outsourcing revenue was the main driver with 30.2% growth and the number of large contracts (over USD 5mn in contract value) also rose significantly to 31 from 19 last year. The US market grew the most, by 50% in 2022, and accounted for 35% of the total global outsourcing revenue. In domestic services, FPT products also performed well with sales up by 54.3% YoY and reaching USD 48.78mn.

The Education, Investment, and 'others' segment achieved USD 160mn in revenue and USD 60mn in profit before tax, an increase of 68.6% YoY and 23.8% YoY, respectively.

Sustainability Strategy

FPT has developed a sustainable development strategy to ensure the balance of economic development, community support, and environmental protection. In terms of objectives and activities, FPT has referred to Vietnam's action plan to implement the 2030 commitments to sustainable development and GRI Sustainability Reporting Standards.

ESG Achievements

FPT has chosen ten of the seventeen UN Sustainable Development Goals ("SDGs") that align most with its vision and values: No Poverty, Good Health & Well-being, Quality Education, Gender Equality, Clean Water and Sanitation, Affordable and Clean Energy, Decent Work and Economic Growth, Industry, Innovation, and Infrastructure, Reduced Inequality, and Partnerships For The Goals.

FPT released its comprehensive environmental, social, and governance ("ESG") report for 2022 following GRI standards, demonstrating its dedication to providing transparent information to its investors, shareholders, and other stakeholders. The company also strives to report on its water and energy consumption, indoor air quality in the workplace, and diversity, equity, and inclusion ("DEI") metrics. FPT is in the top three Vietnamese Publicly Listed Companies for corporate governance scores in the ASEAN region. The company has been named on the ASEAN's CG score list for two consecutive years.

ESG Challenges

FPT has set targets for building green office buildings but has not yet started measuring its total carbon emissions. In addition, as human resources are a key success factor for IT companies today, FPT will need to find ways to attract and retain talent in the face of industry competition.

Top Five Portfolio Companies (continued)

Sacombank ("STB")
As at 30 June 2023

VietNam Holding's investment

Date of first investment	24 July 2020
Ownership	0.5%
Percentage of NAV	10.1%
Internal rate of return (annualised)	6.0%

Share information

Stock Exchange	HOSE
Date of listing	13 July 2006
Market capitalisation (USD million)	2,382
Free float	94.5%
Foreign ownership	26%

Financial indicators (as at 31 December)	**2022**	**2021**
Capital (USD million)	799.3	810.3
Total Operating Income (USD million)	1,108.4	761.0
NPAT (USD million)	213.7	146.6
EPS (VND)	2,674	1,630
TOI growth	45.7%	1.7%
NPAT growth	45.8%	26.2%
ROA	0.9%	0.7%
ROE	13.8%	10.8%
CAR	9.5%	9.9%
NPL	0.9%	1.5%
Equity multiplier	15.3	15.2

About the Company

In 1991, STB became the first commercial joint-stock bank to be established in Ho Chi Minh City. In 1996, it became the first bank to issue shares to the public, then the first bank to be listed on the Ho Chi Minh Stock Exchange in 2006. In 2012, it was subject to hostile changes in the shareholder base and management teams, followed by a merger with a weak bank in 2015. In 2017, a new chairman and management team took over running the bank and initiated a comprehensive restructuring plan approved by the State Bank of Vietnam ("SBV"). Over the past five years, most of the bank's legacy problems have been resolved, with the balance expected to be completed by the end of 2023 or early 2024

In 2022, STB ranked the tenth largest bank by assets in the industry with an extensive network of 566 branches and transaction points. STB implemented Basel II from 1 January 2020, committing to more prudent risk management practices.

STB has won many awards, including "*Most Innovative Retail Bank in Vietnam*" from International Business Magazine, "*Vietnam's Best bank for medium and small sized enterprises*" from Asia Money, "*Most trusted bancassurance service provider in Vietnam 2022*" from Global Banking & Finances, "*Best Workplaces in Asia in 2022*" from HR Asia.

Recent Developments

In 2022, STB's consolidated NPAT rose 45.8% YoY to USD 213.7 million, with total credit growing 13% YoY. The Non-Performing Loan ("NPL") ratio significantly improved to 0.9% of total credit from 1.5% a year before, while loan loss coverage increased to 131% of NPLs. It has focused on clearing up bad debts, and the proportion of the problem 'legacy' assets to total assets declined to 4.3% in 2022 from 28.1% in 2016.

Sustainability Strategy

STB has pursued a sustainability-oriented corporate governance model. In 2022, it continued to meet all the criteria of the Corporate Sustainability Index ("CSI") and was awarded the "Top 50 Corporate Sustainability Award 2023" from Nhip Cau Dau Tu Magazine. STB has implemented environmental and social management system ("ESMS") in compliance with international standards.

STB was the first private bank to implement Directive No 03/CT-NHNN on promoting green credit growth, alongside three of Vietnam's state-owned commercial banks, including Vietcombank, BIDV and Agribank.

ESG Achievements

STB has improved its sustainability report by following the GRI standards. In addition, the company's Board of Directors has created committees and councils in compliance with the law and in reference to best practices on corporate governance. The bank has documented its environmental and social risk appetite and developed a rigorous environmental and social impact assessment process. The bank has also carried out an employee satisfaction survey.

ESG Challenges

STB is aware of the national net-zero commitment and reports its key environmental performance indicators in its annual report, however, it could do better by estimating and disclosing its total carbon emissions and consider the application of the Task Force on Climate-related Financial Disclosures ("TCFD") framework to integrate climate into its governance and risk management framework.

PV Technical Services JSC ("PVS")

As at 30 June 2023

VietNam Holding's investment

Date of first investment	5 September 2022
Ownership	1.2%
Percentage of NAV	6.9%
Internal rate of return (annualised)	25.5%

Share information

Stock Exchange	HNX
Date of listing	20 September 2007
Market capitalisation (USD million)	657
Free float	48.5%
Foreign ownership	20.8%

Financial indicators (as at 31 December)	**2022**	**2021**
Capital (USD million)	202.7	205.4
Revenues (USD million)	694.2	612.9
EBIT (USD million)	28.2	24.6
NPAT (USD million)	40.0	32.2
Diluted EPS (VND)	1,575	887
Revenue growth	13.3%	-29.9%
NPAT growth	24.2%	5.0%
Gross margin	5.6%	6.1%
EBIT margin	4.1%	4.0%
ROE	7.4%	5.9%
D/E	0.11	0.10

About the Company

PVS is a member of PetroVietnam ("PVN") and one of few domestic providers of technical services for the Oil & Gas industry. It is also a company that is transitioning towards renewable energy services in a significant manner. It holds majority stakes in offshore support vessels ("OSV") and floating storage ("FSO/FPSO") vessels, with a total fleet of 18 vessels, provides specialised mechanical and construction ("M&C") services and operates maritime supply bases.

Recent Developments

PVS is transforming itself into a leading global contractor for offshore wind power projects. In August 2022, PVS's subsidiary, PTSC M&C, signed an MoU with Orsted to collaborate on offshore wind projects in Vietnam. Orsted is currently the world's largest developer of offshore wind power as it has a total installed capacity of 7.5 GW with 11.8 GW either under construction or awarded around the world. We believe the signing of this MoU will help PTSC M&C to enter offshore wind power projects and develop its capacity in this new field.

In addition, revenues from traditional services for the Block B – O Mon natural gas project will be a growth engine for the next 5 years. Block B – O Mon is one of the largest gas projects in Vietnam to date. According to PVN, an estimated USD 19bn will be added to the state budget during the project's 20-year lifetime for upstream and downstream projects.

Sustainability Strategy

Although classified in the oil and gas sector, PVS is transitioning its business to supporting offshore wind power projects. The company has signed MOUs with many partners to cooperate in developing domestic as well as overseas projects. PVS is utilising its fleet of specialised offshore vessels in the construction, operation, and maintenance of nearshore windfarms in Ben Tre, Tra Vinh, and Ca Mau provinces and offshore wind farms in Binh Thuan province. The company has also secured two contracts overseas with total value of USD 320mn.

ESG Achievements

The company is trying to improve its governance structure and has sent its CEO and Board Members to attend corporate governance courses organised by the Vietnam Institute of Directors. The Health, Safety and Environmental ("HSE") Management System of PVS follows international standards and is certified by BSI Group, and the company organises regularly HSE training for its employees. There were no labour and environmental accidents recorded in 2022.

ESG Challenges

As a state-owned company, PVS needs to improve its Investor Relations ("IR") activities. For example, much of the content on the company's website is not available in English yet. Governance issues can also emerge when the company is largely controlled by the State.

Top Five Portfolio Companies (continued)

Military Commercial Joint Stock Bank ("MBB") As at 30 June 2023

VietNam Holding's investment

Date of first investment	25 May 2017
Ownership	0.2%
Percentage of NAV	5.7%
Internal rate of return (annualised)	12.5%

Share information

Stock Exchange	HOSE
Date of listing	1 November 2011
Market capitalisation (USD million)	3,883
Free float	58.9%
Foreign ownership	23%

Financial indicators (as at 31 December)	**2022**	**2021**
Capital (USD million)	1,922.4	1,624.0
TOI (USD million)	1,933.1	1,587.6
NPAT (USD million)	769.8	568.3
EPS (VND)	3,856	3,133
TOI growth	21.8%	33.9%
NPAT growth	35.5%	52.4%
ROA	2.7%	2.4%
ROE	25.6%	23.5%
CAR	11.5%	11.3%
NPL	1.1%	0.9%
Equity multiplier	9.2	9.7

About the Company

MBB was founded in 1994 and is the sixth largest bank in Vietnam by total assets. Its IPO took place in 2004 and it listed its shares in November 2011. MBB is a well-regarded 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.

MBB is also one the most profitable banks in the sector, bolstered by its advantages of extensive branch network, low funding cost, and high CASA resulting from its large corporate enterprise client base and support from its major shareholders. MB has consistently committed to its prudent asset-quality management. It was one of the first pilot banks in Vietnam to implement the Basel II since April 2019.

MBB has won many awards, including "*Brand Vietnam Awards 2022*" form Branch Finance, "*Top 50 Best Listed Companies*" from Forbes, "*Outstanding Performance Bank*" from Napas and "*Outstanding Bank for Small and Medium Enterprises*" from International Data Group ("IDG").

Recent Developments

In 2022, MBB's consolidated NPAT increased by 35.5% YoY to USD 769.8 million. Total credit expanded 25% YoY. Retail loans constituted 48%, compared to 46% a year before, which implied a robust growth of 32% YoY.

The Non-Performing Loan ("NPL") ratio increased slightly to 1.1% in 2022 from 0.9% in 2021, meanwhile loan loss coverage was maintained at a high level of 238% of NPLs.

Sustainability Strategy

MBB has carried out guidelines from the Government and the State Bank on environmental protection, social responsibility, social risk management in credit activities, and green growth. MB has integrated environmental and social impact assessments into the processes for credit appraisal, supervision, and monitoring.

MBB has prioritised green projects, agriculture and forestry projects, environmental and social projects, high technology, and safe agriculture programs, and provided preferential interest rates and conditions. 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 ("SME"s) and high technology businesses.

ESG Achievements

MBB is considered one of the most prudent and conservative banks in the industry. It was among ten pilot banks to implement Basel II since 2014, officially integrated these standards in 2016 and fully applied the three pillars of the Basel II in 2020.

MBB was awarded the "*Outstanding Bank for Green Credit*" for its pioneering role in green credit promotion and contribution to the country's sustainable development and environmental protection. In 2022, green finance accounted for 8.7% of the total loan book.

ESG Challenges

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

Vietcombank ("VCB")

As at 30 June 2023

VietNam Holding's investment

Date of first investment	12 August 2022
Ownership	0.03%
Percentage of NAV	5.7%
Internal rate of return (annualised)	24.5%

Share information

Stock Exchange	HOSE
Date of listing	30 June 2009
Market capitalisation (USD million)	20,066
Free float	25.1%
Foreign ownership	24%

Financial indicators (as at 31 December)	**2022**	**2021**
Capital (USD million)	2,006.6	1,594.2
Total Operating Income (USD million)	2,886.7	2,434.1
NPAT (USD million)	1,268.6	946.3
EPS (VND)	5,821	4,162
TOI growth	18.6%	14.5%
NPAT growth	34.1%	18.3%
ROA	1.9%	1.6%
ROE	24.4%	21.7%
CAR	10.0%	9.3%
NPL	0.7%	0.6%
Equity multiplier	13.4	13.0

About the Company

VCB was founded in 1963 and is one of four State Owned Commercial Banks ("SOCB"s) in Vietnam, with the state owning of 74.8% of the company. Its IPO was in 2007 and it listed its shares on the Ho Chi Minh Stock Exchange in 2009. In 2011, Japan Mizuho Corporate Bank become its strategic partner with a stake of 15%. As of 2022, VCB is the third largest bank in Vietnam by total assets, with a market share of 9.6% of all loans and 10.7% of all deposits.

As a SOCB, VCB has significantly contributed to the stability and growth of the domestic economy, upholding the role of a major foreign trade bank in facilitating efficient domestic economic growth and being a 'thought leader' in the national and regional financial community. VCB is a universal bank, providing a full range of financial services.

VCB has won a variety of significant awards, including "*Top 10 Strongest Brands in Vietnam*" from the Vietnam Economic Review; "*Top 10 Prestigious Commercial Banks*" from Vietnam Report; "*Best Risk Management Bank*" from International Finance Magazine, "*Strongest bank by Balance sheet*" from Asian Banker. It was also the only Vietnamese bank in The Banker's global "*Top 500 leading banks*", the only Vietnamese Bank in the Asian Banker's list of "*Top 30 Strongest Banks in Asia Pacific region*" from the Asian Banker, and the only Vietnamese company on Forbes' "*The World's Top 1,000 Public Companies*".

Recent Developments

In 2022, VCB's consolidated NPAT increased 34.1% YoY to USD 1,268.6 million, the highest level of profitability among Vietnam's banks. Its total loan book increased by 19% YoY and total deposits increased by 9% YoY, leading to a year-end stipulated loan to deposit ratio of 74%. Despite supporting its borrowers by quickly cutting interest rates, VCB was able to expand its Net Interest Margin ("NIM") from 3.15% in 2021 to 3.39% in 2022 by growing its retail lending business. VCB was also able to maintain a robust level of growth in its earnings, without sacrificing prudence - the Non-Performing Loan ("NPL") ratio was just 0.7% and the loan loss coverage of NPLs was 317%.

Sustainability Strategy

VCB's sustainability report was in line with the Global Report Initiative ("GRI") and reported on general information, economic standards (GRI 200), environmental standards (GRI 300), social standards (GRI 400), and disclosed information on its corporate governance policy (GRI 100).

The bank has also embedded the State Bank of Vietnam's guidelines for environmental risk management in its credit activities and is trying to promote social awareness of climate change and environmental protection to its stakeholders.

ESG Achievements

In 2022, VCB's efforts to make more 'green' loans and support sustainable transition for key industries accounted for more than 4% of its total loan book, three times the level in 2019. It has also contributed an average of USD 20 million per annum to social welfare activities since 2000.

VCB was selected as the bank with the best working environment in Vietnam according to the survey results of "Top 100 Best Workplaces in Vietnam".

ESG Challenges

VCB has consistently proven itself as the leading Vietnamese bank in term of quality and operational efficiency. However, the weak economic environment poses challenges to banks that are trying to balance maintaining asset quality with seeking a greater exposure to newer green finance initiatives, especially those in the renewable energy sector.

Sustainability Report

As the whole world is experiencing exponential change in this post-pandemic era, we can see how challenging it is to navigate the risks and the opportunities. However, if there is one thing certain it is that the COVID-19 years accelerated the focus on environmental, social and governance ("ESG") matters, and this is true in Vietnam. As the public's expectations continue to rise and change fast, building sustainable business strategies is no longer simply an option for any company.

The 2022 Edelman Trust Barometer global report[1] on more than 36,000 respondents in 28 countries shows that businesses are increasingly expected to fill the voids left by governments and policy makers on climate change, economic inequality, workforce reskilling and racial injustice. According to the survey results, nearly 60% of consumers buy brands based on their values and beliefs, almost 60% of employees choose a workplace based on shared values and expect their CEO to take a stand on societal issues, and 64% of investors look to back businesses proven to be aligned with their stated values.

Nevertheless, 2022 was not a favourable year for ESG funds and their performance suffered. After years of dramatic growth, investment in ESG securities has declined sharply, with research firm Morningstar reporting a 70% drop in inflows compared to the year before and the number of new funds launched down by 60%. The overall downfall in many stock markets is certainly a factor, but the retreat also coincides with a backlash against the entire ESG concept in the United States, which stems mainly from the argument that some financial companies no longer make decisions in the best interest of their shareholders or clients, but instead use their financial power to push forward social and political agendas.

In Europe, several initiatives have been delayed, including the development of social and transition taxonomies and the adoption of remaining technical screening criteria for the EU Green Taxonomy. In addition, the Russia-Ukraine conflict has arguably shifted political dynamics around eligible activities for the Green Taxonomy. Noteworthy, in this regard, is the inclusion of gas and nuclear under certain criteria.

New Wave of Regulatory Forces

Despite shifting priorities, there have been large steps taken globally in implementing further ESG regulations. Key trends include increased greater disclosure, a renewed focus on 'greenwashing', and the expansion of related priorities from climate change to other environmental issues, such as biodiversity. Notable is the Taskforce for Nature-related Financial Disclosure ("TNFD"), which has been developed to supplement the TCFD by calling for organisations to report and act on evolving nature related risks beyond climate change, with the aim of supporting a shift in global financial flows away from nature-negative outcomes and toward nature-positive outcomes. TNFD's 40 Taskforce Members represent financial institutions, corporates and market service providers with over USD 20trn in assets under management.

For Vietnam, 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, 2021 and 2022 saw significant changes in Vietnam's green policy commitments. The country's ambitious net-zero targets for 2050 could be seen as a milestone, paving a way for the transformational interventions needed to address climate change challenges, including the development of cleaner transportation and energy systems.

Since the target was set, the government has taken firm steps in building a legal corridor for responding to climate change issues and implementing the commitments made. Decree No.06/2022/ND-CP in January 2022 includes regulations on the reduction of greenhouse gas ("GHG") emissions and protection of the ozone layer. This new legislation specifies how companies will be given guidance on the scheme and undergo a pilot operation that is followed by a carbon credit trading market due to being formally launched in 2028.

Additionally, in June 2022, Vietnam's government approved the circular economy development scheme and set several ambitious targets. The scheme aims to reduce the intensity of GHGs per GDP by at least 15% by 2030. By 2025, the country aims to reuse, recycle, and treat 85% of plastic waste, reducing half its plastic waste in oceans, as well the volume of non-biodegradable plastic bags and disposable plastic products in use.

In terms of energy development, in December 2022, the Vietnamese government finalised the Just Energy Transition Partnership with the G7 and others. The partnership will mobilise an initial USD 15.5 billion of public and private finance over the next three to five years and aims to help Vietnam reduce its reliance on coal and transition to renewable sources of energy through a mix of loans, grants, technology transfers, and technical assistance programmes. If the partnership meets its goals, Vietnam will see peak GHG emissions by 2030 instead of 2035 and reduce its annual power sector emissions by 30% by significantly increasing its reliance renewables.

[1] ***2022 Edelman Trust Barometer Reveals Even Greater Expectations of Business to Lead as Government Trust Continues to Spiral | Edelman***

In mid-May this year, the long-awaited National Power Development Plan VIII ("PDP8") was approved by the Prime Minister, setting out ambitious goals for renewable energy and liquefied natural gas ("LNG") expansion in the next three years to phase out coal after 2030. The scale of the transition needed to meet the goals of PDP8 through 2030 and Vietnam's commitment to net-zero emissions by 2050 means there are enormous opportunities in the energy sector, especially in developing energy storage technologies, such as lithium batteries, pumped hydropower, heat storage, and smart grids that aim to ensure a high level of stability and integration of renewable energy in the power system.

Following the ASEAN Taxonomy for Sustainable Finance, Vietnam's Green Taxonomy is also under the stakeholder consultation process for finalisation. The Green Taxonomy for green credit and green bond covers eight sectors, 83 green economic activities and green investment projects with environmental screening criteria, thresholds, and indicators, contributing to the eight environmental goals in the Law on Environmental Protection.

ESG Moving up the Corporate Agenda in Vietnam

ESG awareness in Vietnam might have come later than in the US and Europe, but the intuition and application of practices have been growing steadily in recent years. According to PWC Vietnam's ESG Readiness report 2022, about 80% of Vietnam's companies have made related commitments or plan to do so in the next two to four years. The top reason cited for pursuing ESG is "brand image and reputation" (82 %), while the second most cited reason is 'to remain competitive' (68%). Another report by KPMG Vietnam, Vietnam's Customer Experience Excellence 2022, shows that up to 93% of customers in Vietnam are willing to pay more for ESG-integrated products and services. The report shows Vietnamese consumers are becoming conscious of lifestyle choices and aware of the effects of their consumption. These survey results speak volumes about the increasing interest in ESG in Vietnam.

The country continues to emerge as an important alternative manufacturing base to China, and its participation in free trade agreements created more opportunities for enterprises to be part of the global supply chain. ESG considerations are prerequisites for many such deals, and so compliance is necessary to remain competitive with developed markets where green economy and compliance standards are being continuously upgraded. Enhanced sustainability reporting, following global standards, and climate related disclosures, and preparing infrastructure for a clean energy transition are the key ESG aspects that Vietnamese enterprises need to focus on in 2023 and beyond to meet the demand of investors, consumers, and other stakeholders.

As a long-term, responsible investor, ESG integration has always been at the heart of our investment approach. With our motto 'do more, measure more and report more', we have made substantial progress for the past one year in our ESG journey. Our PRI Transparency Report for 2021 received five-star scores, and our very first climate-risk assessment report was featured in the Asia Investor Group on Climate Change ("AIGCC")'s Report on Net-zero investment in Asia, the 4th edition. We also supported the successful inaugural ESG Investment Conference in Vietnam as a gold sponsor of the event held in early June this year. Our Investment Manager continues to actively engage with companies on improving ESG practices of investee companies and bring the ones with good practices into the spotlight. What's more, the Investment Manager has developed a rigorous ESG rating system that can be used for both company assessment and engagement.

VNH's New ESG Scorecard

After almost two years of pilot testing, our Investment Manager has developed its own holistic ESG rating framework to be included throughout the investment process. The new ESG Scorecard has 80 questions covering a wide variety of ESG factors that we consider material to a company from an investor perspective, including board of directors structure and composition, shareholder rights, risk management, internal control, employee policies and customer rights, diversity and inclusion, community outreach, environmental protection, and climate change commitments. With the new scorecard, we expect to understand potential risks and opportunities of an investee company better through an ESG lens. In fact, during the financial year, we have made several decisions to increase or decrease our investment value in several stocks based on these ESG factors, such as discovering emerging opportunities in the clean energy transition or finding out an issue in customer privacy that might cause a drop in a stock value.

Vietnam's Evolving Climate Change Initiatives

According to the recent report by the United Nations in March 2023, Vietnam remains one of the 20 most vulnerable countries to climate change. In 2022, Vietnam experienced some of the worst environmental impacts it had seen since 2007 from typhoon Noru and tropical storm Sonca. The report highlights the risk of further rapid decline in biodiversity, depletion of natural resources and damaged ecosystems, making the country more vulnerable to climate change and its socioeconomic implications. The country was estimated by the World Bank to lose about USD 10 bn in 2020, or 3.2% of its gross domestic product, to climate impacts. By 2050, the costs to the economy generated by climate change could total as much as USD 523 bn. The World Bank suggests that the current economic models are not the ones that will

Sustainability Report (continued)

Vietnam's Evolving Climate Change Initiatives (continued)

bring Vietnam to a green, sustainable, and equitable future[2]. Although the country is not among the highest GHG emitters globally, it has shown one of the fastest growth rates in per capita GHG emissions since Vietnam's economy is powered primarily by fossil fuels. Therefore, the country needs systematic changes if it is to effectively address the impacts of climate change.

At COP26, Vietnam made a strong commitment to achieving its net-zero target by 2050. Since that conference in Glasgow in 2021, the government's efforts in driving its energy strategies and relevant policies have shown the country's willingness to address climate change issues by itself. According to Vietnam's National Climate Change Strategy ("NCCS") to 2050, announced by the government in July 2022, Vietnam's GHG emissions will peak in 2035 and reduce rapidly by 60-90% across all sectors. Later in November 2022, the Nationally Determined Contribution ("NDC") stated to the UNFCCC that by 2030 Vietnam will reduce its GHG emissions by 15.8% unconditionally (by its own national effort and resources) and by 43.5% conditionally (with international support).

The Fund's Stewardship Role

As a long-term investor focused on the Vietnamese market, we support the efforts of the government and the business sector in Vietnam to address climate change and its socioeconomic effects. During the financial year, our Investment Manager has been actively contributing to the national and regional dialogue to drive forward the net-zero transition. Our efforts for managing the portfolio's carbon emissions and climate risks have been featured in the AIGCC's 4th edition of Net-zero Investment, and the Investment Manager had the opportunity to present the key highlights of Vietnam's climate change and energy policies to the Asian investment community in the workshop hosted by AIGCC.

Climate change is also the main topic for engagement with companies in our portfolio. Followed by the webinar in 2022, the Investment Manager has been working with companies to help them prepare for their ESG and carbon footprint reports. We are happy to see that the number of portfolio companies reporting their total carbon emissions has increased this year, some of which have decided to do so after our engagement meetings, for example, PNJ and GMD.

As we navigate to a net-zero world, VNH has identified its focus points for climate change over the next two years:

- Continue to measure and track the portfolio's carbon footprint to identify carbon-intensive sectors, integrate climate risks and opportunities into our broader risk management framework, and identify investment opportunities in low-carbon sectors;
- Improve our climate related disclosures following the guidelines of the Task Force on Climate-related Financial Disclosures; considering disclosures following the guidelines of the Task Force on Nature-related Financial Disclosures; and
- Encourage more companies in the portfolio to measure their total carbon emissions and to create a decarbonisation roadmap.

VNH's Task Force on TCFD

2023 is the second year we have assessed the climate risks of the portfolio and this time with lessons learnt from the first one. VNEEC, a Vietnamese environmental consultant, was engaged to estimate total carbon emissions of all listed companies in the VNH portfolio as of 31 December 2022. This was followed by an assessment of the portfolio's climate risks and alignment with the Paris Agreement goals using scenario analysis and the implied temperature rise metric. We also went deeper into estimating the impact value of companies that are more susceptible to transition risks, according to the assessment report, and integrated that data into our financial models. Our response to the core elements of the TCFD recommendations are summarised in the following sections.

Leading Sustainable Governance

VNH's board publicly announced its support of the Paris Agreement and the Task Force on Climate-Related Financial Disclosures in 2021. During the Annual General Meeting in 2021, the Board also endorsed a belief statement for climate, which was later published through media release and the Fund's website.

Additionally, the Company's ESG Committee has been working closely with the Investment Manager to enhance its investment strategy by further incorporating climate related risks and opportunities into the investment process and overall risk management.

Sustainability matters are also incorporated into the reports sent to investors. In addition, board members and directors of the Investment Manager have attended seminars and training in the UK and Asia on climate and sustainability issues and continue to advocate for greater adherence and involvement from peers. The Investment Manager promotes and supports climate initiatives through industry bodies, such as the AIC, the Singapore

[2] Vietnam Country Climate and Development Report (worldbank.org)

Institute of Directors, AIGCC, and the Vietnam Institute of Directors ("VIOD"), which is a member of the ASEAN Network for Climate Governance.

Strategy for 2021-2025

As most Vietnam's companies are at the early stage of incorporating climate change into their business strategies, we continue to focus our engagement activities on raising portfolio companies' awareness and providing them with guidelines to measure their total carbon emissions and adopt or develop low-carbon technology.

We identify physical risks, for example, acute weather events, as well as transition risks, which include policy, legal and market risks. We do this across sectors in accordance with our core investment themes: industrialisation, urbanisation, and the domestic consumer. In our analysis, we prioritise the best-in-class companies in terms of their adoption of technological solutions to lower carbon emissions and their disclosures on carbon footprint in their annual reports, favouring those that prove to be engaged in strong climate-resilient strategies.

Based on the United Nations Environment Programme Finance Initiative ("UNEP FI"), which assesses the sector transition risk exposure in terms of direct and indirect emission costs, low carbon capital expenditure and change in revenue, the largest portion of VNH's portfolio in 2022 (43% of the NAV) is allocated in the financial and information technology sector. This sector is categorised as "low" transition risks, while another 41% of the portfolio is invested in sectors with "moderate" exposure ratings.

In the financial year, the Fund has invested in two stocks in the oil and gas sector, which is categorised as "high" risk exposure. However, PVS, the largest of these two companies, is transitioning its business to support offshore wind power projects and has signed MOUs with many partners to develop domestic as well as overseas green energy projects. PVS is also utilising its fleet of specialised offshore vessels in the construction, operation, and maintenance of nearshore windfarms in Ben Tre, Tra Vinh and Ca Mau provinces and offshore wind farms in Binh Thuan province. To date, it has secured two contracts overseas with a total value of USD 350m.

The portfolio's implied temperature rise calculation is based on the two models developed by the Climate Action Tracker[3]. The first is the domestic modeled pathway, which is in line with the Vietnamese government's net-zero commitment made in 2021 and centered on Vietnam reducing its emission to 86.8 $MtCO_2e$ (excluding LULUCF[4] in 2050) to reach the 1.5°C target. The data for this was updated in 2022. The second model is the effort-sharing model, which sets the budget considering each country's economic capabilities. Based on the calculation of VNEEC, VNH's 2022 portfolio is 3.71°C and 2.21°C for the domestic and the effort-sharing pathways, respectively. This means that the implied temperature rise of VNH's 2022 portfolio is higher than 2°C and is not aligned with the effort-sharing model nor the domestic one. Nevertheless, the report by VNEEC indicates that VNH's implied temperature rise is still better than those in developed and emerging markets.

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 page 26).

The Investment Manager integrates climate risk assessment into every stage of the investment processes from initial screening and due diligence to investment decision and monitoring. Risks as well as the opportunities they present are discussed regularly during the Investment Committee's meetings and managed at the portfolio level.

Metrics and Targets

- Portfolio carbon footprint is the key metric we use to measure and keep track of our progress towards reducing carbon emissions. Our target is to keep the portfolio carbon footprint 20% below the benchmark index, the Vietnam All share Index ("VNAS"), and in 2020 and 2021, the portfolio's footprint was an average of 40% below the index's. In 2022, this target was not achieved due to the Fund's investment in two oil and gas stocks that we see having great potential in transitioning to net-zero. As explained above, the largest of these, PVS, has concrete plans in place to adapt its business model in support of clean energy, and the Investment Manager has been carefully monitoring the company's new projects.
- We will continue to work collaboratively to keep the global average temperature from rising above 2°C or higher than pre-industrial levels. Our target is measured by the implied temperature rise of the portfolio and the number of climate initiatives that we support through communications, policy dialogue,

[3] https://climateactiontracker.org/

[4] LULUCF is the abbreviation of "Land use, land-use change and forestry". The reasons for focusing on emissions excl. LULUCF because of the importance of decreasing CO_2 and other GHG emissions from fossil fuel combustion, industry, agriculture and waste sources, and because of large data uncertainty around LULUCF emissions data.

Sustainability Report (continued)

Metrics and Targets (continued)

- company engagement, and networking. Although the implied temperature rise of the 2022 portfolio is higher than 2°C, we are offsetting this by actively joining in policy dialogue, supporting climate initiatives, and accelerating our engagement with companies to help them with their own transitions.
- From 2022 onwards, we will annually conduct more quantitative analysis to assess the climate risk exposure of the portfolio and how such risks are translated into financial impacts, for example, the potential financial loss from physical risks, carbon price and their effect on performance. We will also identify businesses and investment opportunities that can benefit from this transition risk process. We use the Weighted Average Carbon Intensity ("WACI") metric to assess the portfolio's exposure to carbon-intensive companies expressed in tCO_2/\$M revenue, and this is calculated at 178.23 tCO_2/\$M for VNH's 2022 portfolio based on Scope 1 and 2 emissions of all companies. VNH's WACI is more impressive than the MSCI Emerging Market Index's, being approximately 51% less carbon intensive, and slightly higher than the MSCI World Index which only includes the developed countries, such as the US, Western Europe, and Japan.
- In the long term, from 2025, and with shareholder approval, we will set a firm target percentage for low-carbon investment in our portfolio.

Portfolio Carbon Footprint

The attributable carbon footprints of portfolio firms are compared to the attributable carbon footprints of an identical amount invested in companies in the VNAS. The VNH portfolio's carbon footprint in 2022 is 5.6% higher than the VNAS benchmark. More specifically, the total carbon emissions of the VNH 2022 portfolio are 20,539 tCO_2e, whereas a comparable investment in VNAS would produce 19,455 tCO_2e. In other words, the VNH portfolio released 1,084 tCO_2e higher than the VNAS Index benchmark. The portfolio's sector allocation resulted in -14.9% (equal to 2,906 tCO_2e) less carbon-intensive emissions than the benchmark's weighted emission. However, the portfolio's stock selection is 20.5% (equal to 3,990 tCO_2e) more carbon-intensive than the benchmark's weighted emission. In terms of carbon emissions, the two new oil and gas equities are the primary contributors to the portfolio's underperformance against the VNAS benchmark.

	VNH Portfolio	VNAS benchmark	Difference between VNH Portfolio vs. VNAS benchmark
Total Emissions Scope 1 and 2 (tCO_2e)	20,539	19,455	1,084
Total Emissions Scope 1, 2 and 3 (tCO_2e)	40,879	39,978	901
Carbon footprint (tCO_2e/ USDM Invested)	194.83	184.54	5.6%

The UN's 17 Sustainable Development Goals

The 17 Sustainable Development Goals ("SDGs"), also known as the Global Goals, were adopted by the United Nations ("UN") 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. With only less than a decade left, it is crucial that we accelerate our actions if we are to make any meaningful change. The country's Voluntary National Review shows that Vietnam is currently on track to achieve four of the 17 SDGs that the country has committed to for the 2030 Agenda. These include SDG 1, "No poverty"; SDG 6, "Clean water and sanitation"; SDG 9, "Industry, innovation and infrastructure"; and SDG 10, "Reduced inequalities". 2022 marked the 45th Anniversary of Vietnam's relationship with the UN, and together with the Government of Vietnam, the UN launched a new five-year Sustainable Development Cooperation Framework ("CF") for the 2022 to 2026 period.

The CF specifies four priority outcomes linked to SDG goals for Vietnam for the next three years, namely inclusiveness and social development; climate-change response and disaster resilience; environmental sustainability and shared prosperity through economic transformation; and governance and access to justice. Progress will be measured against 46 outcome and 57 output indicators. We have already seen the UN expand its dialogue in Vietnam to encourage private sector firms to incorporate the UN principles of responsible business into their operations.

We consider the 17 SDGs to be the most holistic framework that companies can start with in developing their sustainability strategy. We are pleased to see that the SDGs have been incorporated in many of our portfolio companies' annual reports, with detailed illustrations of how the SDGs are embedded in their business activities and corporate culture.

For example, FPT, the largest holding in VNH's portfolio, contributes greatly to SDG 4, "Quality Education", with their extensive education programmes for staff, their families, and communities. In their 2022 annual report, FPT reported on the 10 SDGs that the company focuses on most with specific results for each goal.

GMD, another company in our portfolio, has also made efforts to align its business with the SDGs, especially SDG 9, "Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation with its extensive green smart port ecosystem" and SDG 13, "Climate Action".

Additionally, the banking sector, which at 30 June 2023 accounts for around 30% of VNH's portfolio, has made significant progress in contributing to the SDGs in recent years, for example, by providing more loans and products to support climate change, energy transition and underprivileged groups. Vietnamese banks also have been improving their sustainability disclosures. For example, Vietnam Prosperity JSC Bank ("VPB"), the "greenest" bank in our portfolio, has taken many steps to improve its environmental and social management by following international standards and adopting the TCFD framework. VPB has set targets to reach net-zero emissions in its operations by 2027 and plans to meet this by maintaining its loan balance for coal related activities under 0.5% of total portfolio, raising a minimum of USD 1bn in green finance to support clients in their climate change efforts; and ultimately aiming to achieve zero-loan balance for coal related activities and net-zero financings by 2050. STB, our second largest holding, has been actively embedding the SDGs into its business strategy and risk management system and reports its progress on this through its adoption of the GRI standards.

Among our portfolio companies, CTG, FPT, MBB, PNJ and VPB are the ones in the Vietnam Sustainability Index ("VNSI") 2023, which features the top 20 sustainable listed companies on HOSE measured in terms of their ESG contributions. DGW, PNJ and CTG are investee companies that made it in the top 100 sustainable companies in Vietnam having been included in the Corporate Sustainability Index 2022 developed by the Vietnam Business Council for Sustainable Development ("VBCSD") under the Vietnam Chamber of Commerce and Industry ("VCCI").

The Importance of G in ESG

Corporate Governance ("CG") is an integral part of any successful business as it guarantees accountability, transparency, and ethical behaviours. As an investor, we highly value companies that prove good corporate governance practices. The CG part in our ESG scorecard has been developed based on both national regulations and international guidelines, including the Law on Enterprises, the Law on Securities, Decree 155 on corporate governance of public companies, Circular 96 on disclosure of information of public companies, the International Finance Corporation's ("IFC") CG Code of Best Practices for public companies, and the ASEAN CG Scorecard. It covers a wide range of governance issues, including board structure, company's commitment to corporate governance, risk management and control system, transparency and disclosure, shareholder rights and board oversight of environmental and social issues.

With Vietnam's equity market coming closer to being upgraded to an emerging market status, and therefore potentially attracting even more foreign investment, many companies have applied the World's Bank's IFC ESG guidebook and other international guidelines to improve their corporate governance framework. We have observed significant improvements over the past year in board-level oversight of ESG issues at our portfolio companies. At least three companies in our top ten holdings have set up a dedicated board committee to address key ESG matters, and many have sent their directors to corporate governance training courses, hosted by the IFC and VIOD, to help them drive effective sustainable strategies.

In addition, we have been pleased to see enhanced investor relations activities and greater transparency across all our portfolio companies. For example, with monthly performance updates and quarterly reports, as well as more content available in English. As noted above, we also are seeing more sustainability reports from companies following GRI standards, and this includes better investor relations support to address questions from investors. FPT, our biggest holding, is in the Top 3 Vietnamese Publicly Listed Companies for best corporate governance scores in the ASEAN region. It has been named on the ASEAN's CG score list in two consecutive years.

Dedicated Company Engagement Program

The Investment Manager actively sets up face-to-face meetings with several portfolio companies through the Company Engagement Programme to discuss business strategy and how ESG issues are addressed. During the financial year, the team continued to have in-depth meetings with GMD and PNJ to help improve their ESG practices with practical solutions in the short and medium term. Through different conversations, we saw the willingness and strong commitment from the boards

Sustainability Report (continued)

Dedicated Company Engagement Program (continued)

of these companies in driving the overall sustainability agenda for their business. Both PNJ and GMD have established an ESG committee under the board and developed three-year plans for carrying out a sustainability strategy.

Shareholder Voting

During the financial year, the Company voted at the Annual General Meetings ("AGM") on every portfolio company in which it held an equity position. This year the AGMs were held in both online and offline modes. 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 investee 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

PRI

The Company's investment policy is aligned with the United Nations' Principles on Responsible Investing ("PRI"), which the Company has been a signatory of since 2009. Each year, the Company reports on its responsible investment activities through the PRI Transparency Report. In its 2021 report, the Company received five-star scores for all sections. The improvement in active ownership activities was noted, particularly in some of our 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.

Vietnam Institute of Directors

Mr Vu Quang Thinh, the CEO of Dynam Capital, is a founding member of VIOD, a professional organisation promoting corporate governance standards and best practices in the Vietnamese corporate sector. VIOD was legally formed in 2018 with technical support from the IFC, which is 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 for participation in the 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.

Asia Investor Group on Climate Change

Dynam Capital, our Investment Manager, is a member of AIGCC. Dynam Capital signed on the 2022 Global Investor Statement to Governments on the Climate Crisis with more than 602 investors representing almost USD 42tn in assets under management to raise their climate ambition and implement meaningful policies to address the climate crisis. In addition, Dynam Capital has been applying AIGCC's Investor Climate Action Plan to set out VNH's climate strategy, while regularly attending AIGCC's monthly member meetings (including training sessions) on climate change.

Supporting local initiatives

In the financial year, the Investment Manager promoted greater ESG awareness in Vietnam through supporting Vietcetera and Raise Partners, the two young organisations that hosted the very first ESG Investor Conference in Vietnam. The Investment Manager also helped strengthen the sustainability conversation in Vietnam through published articles in the Vietnam Investment Review ("VIR") magazine, and Dear Our Communities, a start-up that produces podcasts and creative media to help young people in the country learn more about sustainability issues and relevant career opportunities.

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 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. Parts of the portfolio may be prone to enhanced liquidity and price risk.	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 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. 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 Cavendish Securities plc, 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.
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.

Principal Risks and Risk Management (continued)

Key Risk	Description	Mitigating Action
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.
Pandemic Risk	The global reach, impact and disruption to markets resulting from the recent outbreaks of COVID-19 showed the devastating effects that a global pandemic could cause. Lockdowns, quarantine measures and restrictions on travel caused sustained global economic disruption and the slowdown in growth caused some industries and companies to face severe financial pressures.	The Board and the Investment Manager learned many valuable lessons during COVID-19 - the Board remains in regular contact with the Investment Manager, receiving regular updates on the development of any new threats whilst continuing to ensure that the key service providers to the Company all have functional Business Continuity Plans.

Key Risk	Description	Mitigating Action
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 twenty 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 carbon intensive 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 risk. 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. There are no emerging risks to bring to the attention of the shareholders at the date of the Annual Report.

Director Profiles and Disclosure of Directorships

All of the Directors are Non-executive Directors and the majority are independent of the Investment Manager.

Hiroshi Funaki (Chairman)

Mr Funaki has been actively involved in raising, researching and trading Vietnam funds since 1995. 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 an investment adviser to a Family Office. He has a MA in Mathematics and Philosophy from Oxford University and is a UK resident.

Philip Scales (Audit and Risk Committee Chairman)

Mr Scales has over 40 years' experience working in offshore corporate, trust, and third-party fund 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, mainly 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.

Sean Hurst (Senior Independent Director and Remuneration and Nomination Committee Chairman)

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

Damien Pierron (Management Engagement Committee Chairman)

Mr Pierron is currently Managing Partner at Ankaa Ventures, a Venture Capital firm active in Seed stage in Europe. In his last position, he was a managing director in Societe Generale. Mr Pierron has over 20 years' experience in M&A and Private equity gained at, among others, Lafarge Holcim, OC&C Strategy Consultants, Natixis and Societe Generale. He is a CFA charterholder and holds an Engineering 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 (Environmental, Social and Governance Committee Chairman)

Ms 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 9 years, she has invested in and helped develop tech start-ups in Tokyo, Seoul, and Sydney. She is a Certified Public Accountant in the US and is a UK resident.

Disclosure of Directorships in Public Companies Listed on Recognised Stock Exchanges

Name	Company Name	Stock Exchange
Sean Hurst	JPEL Private Equity Ltd	London
	DCI Advisors Ltd	London
Philip Scales	First World Hybrid Real Estate plc	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. The Directors are all non-executive and the majority 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 on behalf of 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 2023. 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 on page 32 of the corporate governance section of this report.

Board Independence and Composition

The Directors are all non-executive and the majority are independent. 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 1,415,776 ordinary shares in the Company representing 5.01% 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.

Corporate Governance Report (continued)

Board Independence and Composition (continued)

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

Hiroshi Funaki	19,887
Sean Hurst	5,312
Philip Scales	10,077
Damien Pierron	4,644
Saiko Tajima	5,000

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

The Board acknowledges the benefits of greater diversity and welcomes the recommendations from the Hampton-Alexander Review on gender diversity and the Parker Review on ethnic representation. The Remuneration and Nomination Committee will consider diversity generally when making recommendations for appointments to the Board but with the principal aim that any new appointment is filled by the most appropriate candidate based on a range of skills, knowledge and experience appropriate for an investment trust.

In all of the Board's activities, there has been and will be no discrimination on the grounds of gender, race, ethnicity, religion, sexual orientation, age or physical ability.

The Board notes the new Listing Rules requirements regarding the targets on board diversity:

- at least 40% of individuals on the Board are women;
- at least one senior Board position (chairman, chief executive officer ("CEO"), senior independent director or chief financial officer ("CFO")) is held by a woman; and
- at least one individual on the Board is from a minority ethnic background, defined to include those from an ethnic group other than a white ethnic group, as specified in categories recommended by the Office for National Statistics.

As required by the Listing Rules, reporting against these targets is set out in the tables below in the prescribed format. The data was collected on a self-identifying basis.

Gender identity / sex	No of Board Members	Percentage of Board	No of senior positions on the Board	Number in Executive team	Percentage of Executive Team
Male	4	80%	4	-	N/A
Female	1	20%	1	-	N/A
Not specified	-	-	-	-	N/A

Ethnic Background	No of Board Members	Percentage of Board	No of senior positions on the Board	Number in Executive team	Percentage of Executive Team
White British or other (including other minorities)	3	60%	3	-	N/A
Asian/ Asian British	2	40%	2	-	N/A
Mixed/ multiple Ethnic groups	-	-	-	-	N/A
Not specified	-	-	-	-	N/A

The Board notes that as at 30 June 2023 it does not currently meet the target in relation to the number of women on the Board but will be considering the target when future Board appointments are made.

The Company is an externally managed investment trust meaning there is no CEO or CFO, however the Board considers that the Chairman of any of the Company's Committees to be a senior position.

The Board notes also that 40% of the team members employed by the Investment Manager and its subsidiary in Vietnam are female and 90% are ethnically Vietnamese.

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 27.

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 Investment 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 4 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	Environmental, Social and Governance
Hiroshi Funaki	4 (4)	4 (4)	2 (2)	2 (2)	2 (2)
Sean Hurst	4 (4)	4 (4)	2 (2)	2 (2)	2 (2)
Philip Scales	4 (4)	4 (4)	2 (2)	2 (2)	2 (2)
Damien Pierron	4 (4)	4 (4)	2 (2)	2 (2)	2 (2)
Saiko Tajima	4 (4)	4 (4)	2 (2)	2 (2)	2 (2)

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 2023 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 2023.

Administration

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

Corporate Governance Report (continued)

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 2023, 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 apart from the Management Engagement Committee, 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 page 30. 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 Chairman of the Audit and Risk Committee 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 35 to 36.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee is chaired by Sean Hurst and all members of the Board are members of the Committee. The Board considers that a majority of 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 occupies this role

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 other than Saiko Tajima 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 in 2021 and is chaired by Saiko Tajima 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 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.

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 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.

Corporate Governance Report (continued)

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 2023, 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. During the year members of the Board travelled to Madrid, Zurich and Ho Chi Minh City in conducting the business of the Company whilst some meetings were held via video conference. The estimated carbon footprint of travel activities (that have not already been offset at source) amounts to approximately 56.1 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 appointed to the Board in May 2019. The Board is committed to treating all equally and considers all aspects of diversity including gender and ethnic diversity. The Remuneration and Nomination Committee will consider diversity when making recommendations for appointments to the Board but with the principal aim that any new appointment is filled by the most appropriate candidate based on a range of skills, knowledge and experience appropriate for an investment trust.

Audit and Risk Committee Report

The main items that the Audit and Risk Committee (the "Committee") has considered and reviewed during the year ended 30 June 2023 were:

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

Internal Control
As a company with a Board consisting 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 two 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 2023 and the number of those attended by each committee member are shown on page 30.

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
During the year the Committee has:

- monitored the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance;
- reviewed the Company's internal financial controls and the internal control and risk management systems of the Company and its third-party service providers;
- made recommendations to the Board in relation to the appointment of the External Auditor and their remuneration;
- reviewed and monitored the External Auditor's independence and objectivity and the effectiveness of the audit process; and
- challenged the Investment Manager on the scenarios used to support the going concern basis and the ongoing viability assessment.

A copy of the Terms of Reference of the Committee is 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 2023 was USD 113.2 million which represented 97.4% of the Company's NAV (30 June 2022: USD 120.9 million and 93.9% 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 2023 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 to the approach to the audit of the valuation of investments with the External Auditor prior to the commencement of the audit. All the investments will be independently checked by the External Auditor. 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.

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 2023 are GBP 62,200 (2022: GBP 56,000). Non audit fees payable to KPMG for 2023 were GBP nil (2022: 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 24 to 26. 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
13 October 2023

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 2023 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 2023 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 options or other long-term incentive schemes in place for the Directors.

The single total figure of remuneration for each Director who served during the year ended 30 June 2023 and the previous year is as follows:

	Year ended 30 June 2023			Year ended 30 June 2022		
Director	Base Fees USD	Additional Ad hoc fees USD	Total USD	Base Fees USD	Additional Ad hoc fees USD	Total USD
Hiroshi Funaki (Chairman)	60,000	11,250	71,250	60,000	10,125	70,125
Sean Hurst (Senior Independent Director)	55,901	11,700	67,601	55,185	10,125	65,310
Philip Scales (Audit and Risk Committee Chairman)	55,000	6,750	61,750	55,000	9,000	64,000
Damien Pierron	50,000	11,832	61,832	50,000	9,424	59,424
Saiko Tajima	50,000	6,750	56,750	50,000	9,000	59,000
Total	270,901	48,282	319,183	270,185	47,674	317,859

Directors' Report

The Directors present the Annual Report and Financial Statements of the Company for the year ended 30 June 2023.

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 loss for the year ended 30 June 2023 amounted to USD 8,622,089 (2022: net loss USD 7,719,310). There were no dividends declared during the year ended 30 June 2023 (2022: USD nil).

Going Concern

The financial position of the Company, its cash flows and liquidity position are described in Financial Statements and the Notes to 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 improved over the last six months. The Director's 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. 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 are required to propose a continuation Ordinary Resolution at the Company's Annual General Meeting scheduled for November 2023. If the Resolution is not passed then the Directors are required to convene an Extraordinary General Meeting within six months of the 2023 Annual General Meeting to propose a resolution either to wind up the Company or to implement a reconstruction, amalgamation or other material alteration to the Company or its activities or any other appropriate alternative based on current circumstances as the Board thinks fit.

Currently, the Board does not know the number of shareholders who will vote to approve the continuation of the Company for a further five years. Based on the uncertainty of the continuation vote, there is therefore a material uncertainty over the going concern of the Company.

The Directors have a reasonable expectation that, assuming the continuation vote is passed, 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.

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, as detailed in the Principal Risks and Risk Management on pages 24 to 26 and in the Investment Manager's Report on pages 7 to 11. 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, and subject to the passing of the continuation vote to be held later in the year, the Board has determined that a three-year viability period to 30 June 2026 is an appropriate period and that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of three years. The Board also travelled to Vietnam in March 2023, meeting with the research team of the Investment Manager, portfolio companies and market commentators.

In arriving at this conclusion, the Board considered.

- The volatility of global economic conditions, the war in Ukraine and inflation:
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 that had been implemented during the COVID-19 pandemic. The Board reviewed macro-reports and updates from the Investment Manager detailing the impacts of rising inflation and rising interest rates in the US and Europe on Vietnam, risks of global recession and also the direct impacts of the continuing war in Ukraine.

- Business environment:
Despite the visible signs of post-Covid recovery which the Board were able to see first-hand on their visit to Vietnam in March 2023, evidenced in part by greater travel freedoms and broader economic recovery, the domestic real-estate market, bond market and consumer market have faced some challenges. 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 and this coupled with a nimble approach to portfolio construction has helped the Company navigate the uncertain market conditions. 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. The direct impact of the war in Ukraine on Vietnam appears to be manageable, with less than 1% of trade to Russia and Ukraine. The levels of inflation in Vietnam are less pronounced than those in Europe and the US, and the macro-economic position appears to be stronger than in many other frontier and emerging economies.

- Operations:
2022 was thankfully free from the significant operational changes caused by the COVID-19 pandemic. The restrictions in place during the pandemic tested the Business Continuity protocols of the Investment Manager and the other service providers. The smooth operation of the Company through the various restrictions and lockdowns brought about by Covid have reassured the Board that these protocols are effective and 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, and if needed remotely.

- Investment:

- The liquidity of the Company's underlying portfolio is relatively high: although average daily trading volumes on Vietnam's stock markets declined during the first half of the year, the volumes recovered in the second half. All investments are in listed companies which have relatively high liquidity. At year end there were no unquoted investments, and all securities are 'Level 1'. It is estimated that the portfolio can be readily liquidated in less than ten trading days and 99% of the portfolio in less than 30 days. The portfolio is un-geared and, as it holds all 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.

Directors' Report (continued)

Viability Statement (continued)

- 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 59 to 62. 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.

- Incomes 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 0.49 times by investment income. In the following year, the current investment income is forecast to cover 0.47 times the amount of on-going expenses. In the stress-tested scenario with significant declines in cash dividends forecasted, the investment income is forecast to cover 0.59 times on-going expenses.
- The Company maintains a cash buffer of approximately 1.0% 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 expectations 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 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 Directors' Report 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 2023, assuming the continuation vote to be tabled to shareholders is passed.

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 1 November 2022, 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 2023.

In the year ended 30 June 2023 1,500,563 ordinary shares had been bought back and cancelled under the Company's share buyback programme. Since the last AGM and up to 12 October 2023, being the latest practicable date prior to publication of the report, the Company bought back and cancelled 1,364,849 ordinary shares.

Share Buy-Backs to the Year-Ended 30 June 2023

	30 June 2023		30 June 2022	
	Number of Shares	USD'000	Number of Shares	USD'000
Opening balance at 1 July	29,225,667	935	42,623,935	60,474
Share issued during the year	-	-	-	-
Shares repurchased during the year	(1,500,563)	(4,941)	(661,084)	(2,655)
Tender Offer	-	-	(12,737,184)	(56,884)
Closing balance at 30 June	27,725,104	(4,006)	29,225,667	935

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 2023.

Shareholder	Number of ordinary shares	Percentage of total shares in issue
Lynchwood Nominees Limited	5,867,737	21.16
Citibank Nominees (Ireland) Designated Activity Company	5,319,732	19.19
Vidacos Nominees Limited	2,550,070	9.20
The Bank of New York (Nominees) Limited	2,225,658	8.03
Chase Nominees Limited	1,660,120	5.99
Hargreaves Lansdown (Nominees) Limited	1,589,250	5.73
Euroclear Nominees Limited	1,531,105	5.52

Notification of Shareholdings

In the year to 30 June 2023 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
Discover Investment Company	1,415,776	5.0	24 May 2023

Since 30 June 2023 the Company has not received any DTR 5.1.2 notifications of holdings.

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
13 October 2023

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 2023, 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 2023, 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 the FRC Ethical Standard as applied to public interest entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Material uncertainty relating to going concern

	The risk	Our response
Going Concern: Refer to page 39 of the Director's Report. We draw attention to note 2(b) of the financial statements which indicates that in accordance with the Articles of Incorporation, the Directors are required to propose an Ordinary Resolution ("Resolution") at the Company's Annual General Meeting scheduled for the year 2023. If such resolution is not passed the Board shall, at that annual general meeting or at an extraordinary general meeting held within six months of that annual general meeting, propose a resolution either to wind up the Company or to implement a reconstruction, amalgamation or other material alteration to the Company or its activities or any other appropriate alternative based on current circumstances as the Board thinks fit. This condition constitutes a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.	**Disclosure Quality:** The financial statements explain how the directors have formed a judgement that it is appropriate to adopt the going concern basis of preparation for the Company. That judgment is based on an evaluation of the inherent risks to the Company's business model and how those risks, in particular, the Resolution, might affect the Company's financial resources or ability to continue operations over a period of at least a year from the date of approval of the financial statements (the "Going Concern Period"). The risk for our audit is whether or not those risks are such that they amounted to a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern. If so, that fact is required to be disclosed (as has been done) and, along with a description of the circumstances, is a key financial statement disclosure.	Our audit procedures included but were not limited to: We obtained and inspected the directors' approved written assessment of going concern on the Company and corroborated the assessment with our knowledge of the business. We considered the risk that the outcome of the Resolution could affect the Company for the going concern period by considering outcomes of previous continuation Resolutions, inspecting minutes of meetings held by the directors, inquiring with management as to their assessment of the likelihood of shareholder support for the Resolution, and considering key financial metrics including the discount of the Company's share price against its net asset value. Assessing disclosures: 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, including the identified risks and dependencies.

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. Going concern is a significant key audit matter and is described in the 'Material uncertainty relating to going concern' section of our report. 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 other key audit matter was as follows (unchanged from 2022):

Valuation of Investments in securities at fair value

$113,225,102; (2022: $120,957,996)

Refer to page 35 of the Audit and Risk Committee Report, note 2d accounting policies and note 12 disclosures.

The risk	Our response
Basis: 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. **Risk:** The valuation of investments, due to their magnitude in the context of the financial statement 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.	*Our audit procedures included:* ***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. ***Assessing disclosures:*** 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 $2,160,000, determined with reference to a benchmark of net assets of $115,259,277 of which it represents approximately 2.0% (2022: 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% (2022: 75%) of materiality for the financial statements as a whole, which equates to $1,620,000. 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 $108,000, 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 material uncertainties that could 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.

Independent Auditor's Report

to the Members of VietNam Holding Limited

Going concern (continued)

An explanation of how we evaluated management's assessment of going concern is set out in the 'Material uncertainty relating to going concern' section of our report.

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 nothing material to add or draw attention to in relation to the directors' statement in Note 2(b) to the financial statements on the use of the going concern basis of accounting, and their identification therein of a material uncertainty over the Company's ability to continue to use that basis for the going concern period.

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.

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 39 - 41) 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 39 - 41) 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 39 - 41 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:

Independent Auditor's Report

to the Members of VietNam Holding Limited

Corporate governance disclosures (continued)

- the directors' statement that they consider that 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;
- the section of the annual 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 the annual report that describes the review of the effectiveness of the Company'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 43, 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.

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
14 October 2023

Statement of Financial Position

As at 30 June 2023

	Notes	2023 USD	2022 USD
Assets			
Non-current assets			
Investments at fair value through profit or loss	3	113,225,102	120,957,996
Total non-current assets		113,225,102	120,957,996
Current assets			
Cash and cash equivalents		1,750,069	8,160,681
Accrued dividends and interest		877,375	58,772
Receivables on sale of investments		338,591	-
Total current assets		2,966,035	8,219,453
Total assets		116,191,137	129,177,449
Equity			
Share capital	5	166,645,041	166,645,041
Reserve for own shares	5	(170,650,584)	(165,709,783)
Retained earnings		119,264,820	127,886,909
Total equity		115,259,277	128,822,167
Liabilities			
Payables on purchase of investments		343,745	-
Payables on repurchase of shares		246,469	-
Accrued expenses		341,646	355,282
Total liabilities		931,860	355,282
Total equity and liabilities		116,191,137	129,177,449

The financial statements on pages 50 to 66 were approved by the Board of Directors on 13 October 2023 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 pages 54 to 66 form an integral part of these financial statements.

Statement of Comprehensive Income

For the year ended 30 June 2023

	Notes	2023 USD	2022 USD
Dividend income from equity securities at fair value through profit or loss		1,684,306	1,811,555
Net loss from investments at fair value through profit or loss	7	(6,494,742)	(5,211,105)
Net foreign exchange loss		(369,559)	(67,666)
Total operating loss		(5,179,995)	(3,467,216)
Investment management fees	8	1,936,485	2,737,804
Advisory fees		22,846	15,715
Directors' fees and expenses	8	417,177	385,292
Custodian fees	9	101,674	152,863
Administrative and accounting fees	10	201,614	216,939
Audit fees		75,153	71,428
Other expenses		687,145	672,053
Total operating expenses		3,442,094	4,252,094
Loss for the year		(8,622,089)	(7,719,310)
Other comprehensive income		-	-
Total comprehensive loss for the year		(8,622,089)	(7,719,310)
Basic and diluted loss per share	14	(0.30)	(0.24)

The accompanying notes on pages 54 to 66 form an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2023

	Share capital USD	Reserve for own shares USD	Retained earnings USD	Total USD
Balance at 1 July 2021	166,645,041	(106,170,790)	135,606,219	196,080,470
Total comprehensive loss for the year				
Change in net assets attributable to shareholders	-	-	(7,719,310)	(7,719,310)
Total comprehensive loss for the year	-	-	(7,719,310)	(7,719,310)
Transactions in shares				
Repurchase of own shares	-	(59,538,993)	-	(59,538,993)
Total transactions in shares	-	(59,538,993)	-	(59,538,993)
Balance at 30 June 2022	166,645,041	(165,709,783)	127,886,909	128,822,167
Balance at 1 July 2022	**166,645,041**	**(165,709,783)**	**127,886,909**	**128,822,167**
Total comprehensive loss for the year				
Change in net assets attributable to shareholders	**-**	**-**	**(8,622,089)**	**(8,622,089)**
Total comprehensive loss for the year	**-**	**-**	**(8,622,089)**	**(8,622,089)**
Transactions in shares				
Repurchase of own shares	**-**	**(4,940,801)**	**-**	**(4,940,801)**
Total transactions in shares	**-**	**(4,940,801)**	**-**	**(4,940,801)**
Balance at 30 June 2023	**166,645,041**	**(170,650,584)**	**119,264,820**	**115,259,277**

The accompanying notes on pages 54 to 66 form an integral part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2023

	Notes	2023 USD	2022 USD
Cash flows from operating activities			
Total comprehensive loss for the year		**(8,622,089)**	(7,719,310)
Adjustments to reconcile total comprehensive loss to net cash from operating activities:			
Dividend income		**(1,684,306)**	(1,811,555)
Net loss from investments at fair value through profit or loss	7	**6,494,742**	5,211,105
Net foreign exchange loss		**369,559**	67,666
Purchase of investments		**(50,826,239)**	(82,229,529)
Proceeds from sale of investments		**52,069,545**	146,502,030
Changes in working capital			
Decrease in accrued expenses		**(13,636)**	(76,630)
Decrease in prepayments		**-**	9,290
Dividends received		**849,559**	1,690,983
Interest received		**16,144**	91,953
Net cash (used in)/from operating activities		**(1,346,721)**	61,736,003
Cash flows used in financing activities			
Repurchase of own shares		**(4,694,332)**	(59,538,993)
Net cash used in financing activities		**(4,694,332)**	(59,538,993)
Net (decrease)/increase in cash and cash equivalents		**(6,041,053)**	2,197,010
Cash and cash equivalents at beginning of the year		**8,160,681**	6,031,337
Effect of exchange rate fluctuations on cash held		**(369,559)**	(67,666)
Cash and cash equivalents at end of the year		**1,750,069**	8,160,681

The accompanying notes on pages 54 to 66 form an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2023

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 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL.

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 from equities held in the portfolio and (iii) share buybacks and tender offers. The Directors note that the underlying liquidity of Vietnamese stocks has improved over the last six months. The Director's 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. 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 are

Notes to the Financial Statements

For the year ended 30 June 2023 (continued)

2. Significant Accounting Policies (continued)

required to propose a continuation Ordinary Resolution at the Company's Annual General Meeting scheduled for November 2023. If the Resolution is not passed then the Directors are required to convene an Extraordinary General Meeting within six months of the 2023 Annual General Meeting to propose a resolution either to wind up the Company or to implement a reconstruction, amalgamation or other material alteration to the Company or its activities or any other appropriate alternative based on current circumstances as the Board thinks fit. Currently, the Board does not know the number of shareholders who will vote to approve the continuation of the Company for a further five years. Based on the uncertainty of the continuation vote, there is therefore a material uncertainty over the going concern of the Company. The Directors have a reasonable expectation that, assuming the continuity vote is passed, 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.

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

(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.

Notes to the Financial Statements

For the year ended 30 June 2023 (continued)

2. Significant Accounting Policies (continued)

(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.

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% (2022: 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.

Notes to the Financial Statements

For the year ended 30 June 2023 (continued)

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:

	2023		2022	
	Fair value in USD	**% of net assets**	Fair value in USD	% of net assets
Investments in listed securities	**113,225,102**	**98.24**	120,957,996	93.90
Investments in unlisted securities	**-**	**-**	-	-
	113,225,102	**98.24**	120,957,996	93.90

At 30 June 2023, a 5% reduction in the market value of the portfolio would have led to a reduction in NAV and profit or loss of USD 5,661,255 (2022: USD 6,047,900). 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.

As at 30 June 2023, the Company had the following foreign currency exposures:

	Fair value	
	2023 **USD**	2022 USD
Vietnamese Dong	**115,320,188**	128,235,094
Pound Sterling	**(231,119)**	632,133
Swiss Franc	**175**	163
Euro	**4,536**	4,497
	115,093,780	128,871,887

At 30 June 2023, 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 5,766,009 (2022: USD 6,411,755), USD 11,556 (2022: USD 31,607), USD 9 (2022: USD 8) and USD 227 (2022: USD 225) 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 2023, 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 2,966,035 (2022: USD 8,219,453).

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 2023, 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 (2022: 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 2023, the total of cash and cash equivalents, and short-term receivables was USD 2,966,035 (2022: USD 8,219,453). The Directors assessed the lifetime expected credit loss as at 30 June 2023 and concluded it to be immaterial (2022: 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.

Notes to the Financial Statements

For the year ended 30 June 2023 (continued)

3. Financial Instruments and Associated Risks (continued)

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
2023						
Cash and cash equivalents	1,750,069	-	-	-	-	1,750,069
Investment at fair value through profit and loss	-	-	-	-	113,225,102	113,225,102
Accrued dividends and interest	-	-	877,375	-	-	877,375
Receivables on sale of investments	-	-	338,591	-	-	338,591
Total financial assets	1,750,069	-	1,215,966	-	113,225,102	116,191,137
Payables in purchase of investments	-	-	343,745	-	-	343,745
Payables on repurchase of shares	-	-	246,469	-	-	246,469
Accrued expenses	-	-	341,646	-	-	341,646
Total financial liabilities	-	-	931,860	-	-	931,860
2022						
Cash and cash equivalents	8,160,681	-	-	-	-	8,160,681
Investment at fair value through profit and loss	-	-	-	-	120,957,996	120,957,996
Accrued dividends and interest	-	-	58,772	-	-	58,772
Total financial assets	8,160,681	-	58,772	-	120,957,996	129,177,449
Accrued expenses	-	-	355,282	-	-	355,282
Total financial liabilities	-	-	355,282	-	-	355,282

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 2023, no individual investment exceeded 20% of the net assets attributable to Shareholders (2022: none).

All of the Company's investments in securities at fair value are in Vietnam as at 30 June 2023 and 30 June 2022. All of the Company's investment income can be attributed to Vietnam for the years ended 30 June 2023 and 30 June 2022.

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.

	2023 No. of shares	**2022 No. of shares**
Total shares issued and fully paid (after repurchases and cancellations) at beginning of the year	**29,225,667**	42,623,935
Shares issued upon exercise of warrants during the year	**-**	-
Shares cancellation	**(1,500,563)**	(13,398,268)
	27,725,104	29,225,667
Repurchased and reserved for own shares		
At beginning of the year	**-**	-
During the year	**(1,500,563)**	(13,398,268)
Shares reissued to ordinary shares	**-**	-
Shares cancellation	**1,500,563**	13,398,268
Total outstanding ordinary shares with voting rights	**27,725,104**	29,225,667

As a result, as at 30 June 2023 the Company has 27,725,104 (2022: 29,225,667) ordinary shares with voting rights in issue (excluding the reserve for own shares), and nil (2022: 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.

Notes to the Financial Statements

For the year ended 30 June 2023 (continued)

5. Share Capital (continued)

During the year ended 30 June 2023 the Company repurchased and cancelled 1,500,563 ordinary shares (2022: 661,084 ordinary shares) under the Company's share buyback programme (representing 5.1% of the ordinary shares outstanding at 1 July 2022) at a weighted average NAV discount of 15.2%. This resulted in a 0.78% accretion to NAV per share.

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 115,259,277 (2022: USD 128,822,167) represents net assets attributable to Shareholders. NAV per share as at 30 June 2023 is USD 4.157 (2022: USD 4.408).

7. Net (Loss)/Gain from Investments at Fair Value through Profit or Loss

	2023 USD	**2022 USD**
Realised gain on disposal of investments	**1,874,662**	50,172,287
Realised foreign currency (loss)/gain	**(1,660,823)**	253,204
Unrealised loss on investments at fair value through profit or loss	**(7,200,804)**	(54,419,413)
Unrealised foreign currency gain/(loss)	**492,223**	(1,217,183)
	(6,494,742)	(5,211,105)

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 2023 was USD 1,936,485 (2022: USD 2,737,804). An amount of USD 162,201 (30 June 2022: USD 200,421) was outstanding as at 30 June 2023.

Directors' fees and expenses

The Board determines the fees payable to each Director, subject to a maximum aggregate amount of USD 350,000 (2022: 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 319,183 (2022: USD 317,859) and expenses were USD 97,994 (2022: USD 67,433). The total Directors' fees and expenses for the year were USD 417,177 (2022: USD 385,292).

As at 30 June 2023, USD nil (2022: USD 9,012) of Directors' fees were outstanding.

Ownership of shares

As at 30 June 2023, Directors held 44,920 ordinary shares in the Company (2022: 44,920) as listed below.

Hiroshi Funaki	19,887	Shares
Sean Hurst	5,312	Shares
Philip Scales	10,077	Shares
Damien Pierron	4,644	Shares
Saiko Tajima	5,000	Shares

Mr Funaki is also a Director of Discover Investment Company which holds 1,415,776 ordinary shares in the Company representing 5.01% of the issued share capital. Discover Investment Company acquired 10,000 shares during the year.

Mr Craig Martin, Chairman of the Investment Manager holds 67,086 shares in the Company. During the year he purchased 7,400 shares during the year.

9. Custodian Fees

Custodian fees are charged at a minimum of USD 12,000 (2022: 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 (2022: 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 101,674 (2022: USD 152,863), of which USD 9,500 (2022: USD 13,000) 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 145,590 (2022: USD 139,207), of which USD 1,120 (2022: USD 1,130) 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 56,024 (2022: USD 77,731), of which USD 4,744 (2022: USD 5,303) were outstanding at year end.

Total administrative and accounting fees for the year were USD 201,614 (2022: USD 216,939).

11. Controlling Party

The Directors are not aware of any ultimate controlling party as at 30 June 2023 or 30 June 2022.

Notes to the Financial Statements

For the year ended 30 June 2023 (continued)

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.

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
2023				
Financial assets classified at fair value upon initial recognition				
Investments in securities	**113,225,102**	**-**	**-**	**113,225,102**
2022				
Financial assets classified at fair value upon initial recognition				
Investments in securities	120,957,996	-	-	120,957,996

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 2023 (2022: nil).

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
2023				
Cash and cash equivalents	-	1,750,069	-	1,750,069
Investment in securities at fair value	113,225,102	-	-	113,225,102
Accrued dividends	-	877,375	-	877,375
Receivables on sale of investments	-	338,591	-	338,591
	113,225,102	2,966,035	-	116,191,137
Accrued expenses	-	-	341,646	341,646
Payables in purchase of investments	-	-	343,745	343,745
Payables on repurchase of shares	-	-	246,469	246,469
	-	-	931,860	931,860
2022				
Cash and cash equivalents	-	8,160,681	-	8,160,681
Investment in securities at fair value	120,957,996	-	-	120,957,996
Accrued dividends	-	58,772	-	58,772
	120,957,996	8,219,453	-	129,177,449
Accrued expenses	-	-	355,282	355,282
	-	-	355,282	355,282

14. Earnings Per Share

The calculation of basic and diluted earnings per share at 30 June 2023 was based on the total comprehensive loss for the year attributable to Shareholders of USD 8,622,089 (2022: loss of USD 7,719,310) and the weighted average number of shares outstanding of 28,685,603 (2022: 31,987,327).

15. New and Amended Standards and Interpretations

(i) Standards and amendments to existing standards effective 1 July 2022
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 2023 that have been early adopted by the Company
There are no standards effective after 30 June 2023 that are relevant to the Company.

16. Events After the Reporting Date

It was announced on 8 September 2023 that finnCap plc and Cenkos Securities plc had successfully merged to form a new group known as Cavendish Securities plc, the Corporate Broker and Financial Adviser of the Company.

From 1 July 2023 to the date of signing these financial statements, there were no other material events that require disclosures and/or adjustments in these financial statements.

Alternative Performance Measures ("APMs")

Discount or Premium

The amount, expressed as a percentage, by which the ordinary share price is either higher (premium) or lower (discount) than the NAV per ordinary share.

	Page		30 June 2023
NAV per ordinary share (pence)	1	a	329.0
Ordinary share price (pence)	1	b	277.5
Discount	1	((b-a)/a)	15.7%

Ongoing charges

Ongoing charges have been calculated in accordance with the Association of Investment Companies (the "AIC") recommended methodology by taking the regularly incurred annual operating expenses of running the Company expressed as a percentage of average NAV.

The ongoing charges for the year ended 30 June 2023 were 3.07%.

	Page		30 June 2023 USD
Average NAV	1	a	111,710,032
Operating expenses	1	b	3,433,537
Ongoing charges	1	b/a	3.07%

a) Average NAV

Calculated using twelve monthly closing average NAV for the year ended 30 June 2023.

b) Operating expenses

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

	Page		USD
Total annual expenses	51	c	3,442,094
Less: non-recurring expenses		d	(8,557)
Operating expenses		b=c+d	3,433,537

Corporate Information

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

Investment Manager

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Sanne Group (Guernsey) Limited
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Corporate Broker and Financial Adviser

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Registrar

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