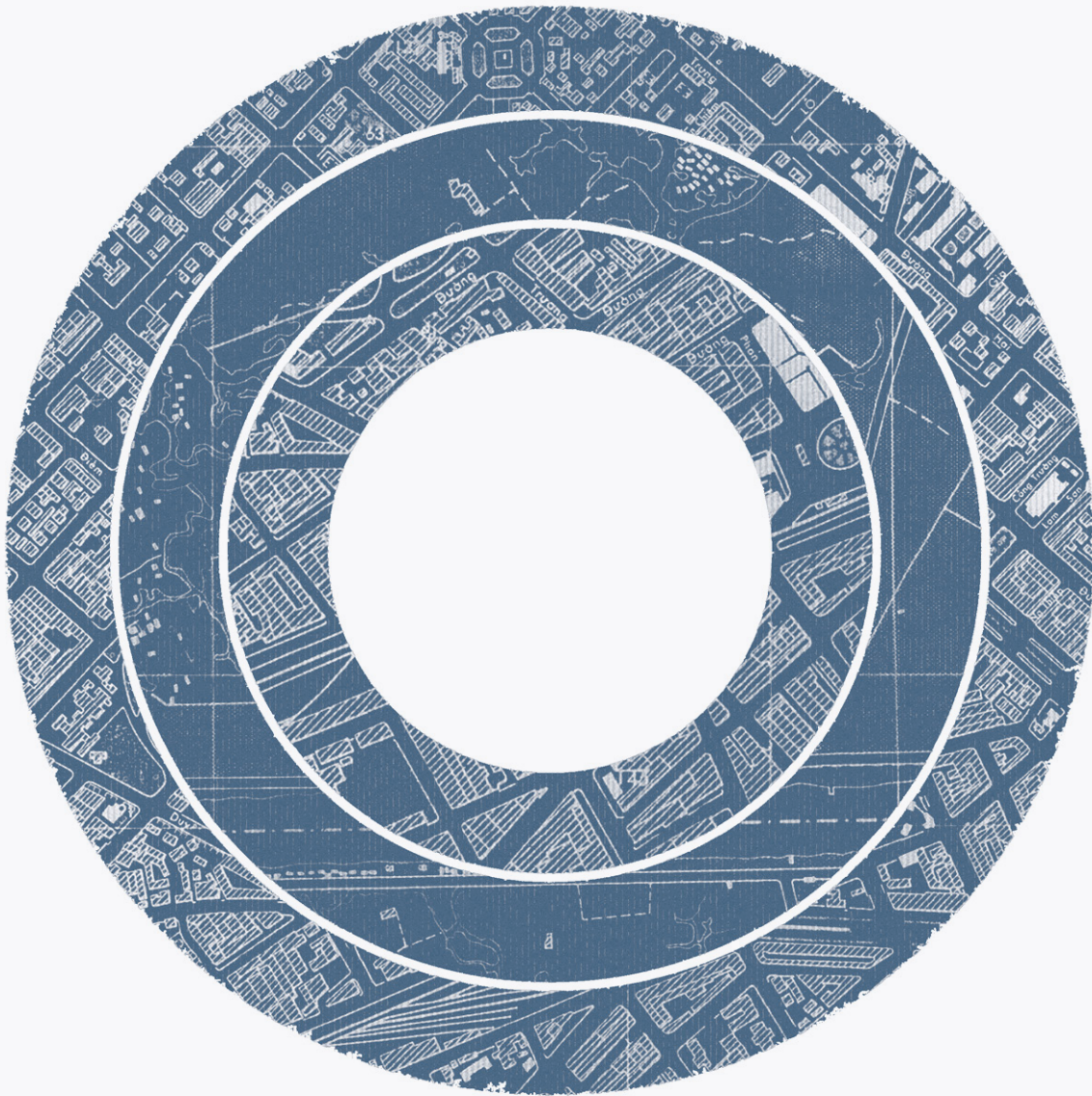




VIETNAM
HOLDING



Interim Report | 2021

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Financial Highlights

- Net Asset Value ("NAV") per share increased by 14.1% in USD terms
- Share price increased by 31.7% in GBP terms
- Net investment income of USD 19,502,023 vs USD 42,177,279 in prior year period
- Diluted Earnings per share of USD 0.50 vs USD 0.83 in prior year period

Operational Highlights

- Fund is invested in 27 positions
- Carbon footprint of portfolio is 32% below the index
- Top performing Fund in Vietnam and Top three in UK for 2021
- Tender for 30% of the company's shares completed in September at a 2% discount to prevailing NAV

Company Overview

Nimble and focused investment approach

Portfolio of 27 positions with 60.6% of NAV in top-ten positions. The portfolio has a price-earnings valuation of circa 12x and an earnings per share growth forecast of circa 29% for 2022.

Investment Manager



DYNAM CAPITAL LTD

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

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

The Company



VIETNAM HOLDING

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

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

What Makes Us Different

Right Size for the Vietnam Equity Market

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

ESG in the DNA

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

Nimble Access Across Spectrum

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

Actively Managed Portfolio

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

Chairman's Statement



Hiroshi Funaki

Chairman

Dear Shareholder,

VietNam Holding Limited (the "Company" or the "Fund") recorded a strong first six months of the financial year. The net asset value ("NAV") per share has risen by 14.1% in US dollar ("USD") terms during the period and the share-price of the Company has risen by 31.7% in Great Britain pounds ("GBP") terms. For the calendar year that ended on 31 December, the Fund's NAV per share rose by almost 63.9% and the share price by 81.8%. As a result, the Company was in the top three of all investment trusts listed in the UK in regard to performance for the full calendar year.

Total Assets decreased to USD 156,229,449 at 31 December 2021 from USD 200,418,206 at 30 June 2021, and Total Comprehensive Income was USD 17,235,713 in the six-month period, a significant decrease on the USD 40,458,032 generated in the corresponding period in 2020.

In September, the Fund completed a tender offer for 30% of the Company's shares at a 2% discount to the prevailing NAV. The tender completed swiftly and with little impact on the remaining portfolio, in recognition of the more liquid nature of the holdings, and of the Vietnamese equity market as a whole. We were pleased to see a number of investors, including my fellow directors,

buy-back into the Company after the tender. Following completion of the tender, the discount between the share price and the NAV per share tightened considerably from 16% to a recent record low of 4.43% on 13 February 2022. The discount has widened again over the last few weeks, and was 18.3% on 15 March 2022, but is still at the narrower end of the range for investment trusts focused on Vietnam.

Liquidity has also been robust in the trading of the Company's shares on the London Stock Exchange. Daily liquidity over the six-month period, in terms of average daily trading volume, was c.72,000 shares. We are pleased to see a number of new investors join the share register over the last six months, a mix of institutional, family office, wealth managers and individual investors.

In addition to the marketing initiatives coordinated by the Investment Manager, the Board has acted appropriately in implementing share buybacks as a means of addressing the discount between the share price and the NAV. During the period in review, the Company bought back 13,043,946 shares (including 12,737,184 shares bought back as a result of the Tender process) at an average price of USD 4.443, adding an estimated 0.86% in NAV per share accretion. The Share buyback authority was renewed by the Shareholders at the AGM on 1 November 2021, allowing up to 14.99% of the Company's issued shares to be bought back. Current practice is that shares bought back are cancelled.

This time last year I reported that we thought 'the portfolio was in great shape and well positioned for what could be a break-through year for Vietnam'. I am pleased to report that both the country and the portfolio performances exceeded our expectations, particularly given the harsh circumstances brought about by the Delta variant of Covid-19. Vietnam suffered significantly at the start of the reporting period because of low vaccination levels and had to impose strict lockdowns across most of the country to protect the health and safety of its citizens. The Delta wave inevitably impacted economic activity, mobility, and social health. However, once Vietnam was able to secure an ample amount of vaccines, it carried out an extensive vaccination distribution programme that was supported by its population. At times this roll-out surpassed many developing countries in terms of record numbers of people

Chairman's Statement (continued)

receiving jabs per day. By the end of the reporting period almost 90% of the population had been double vaccinated, and in some cities, 100% levels were reported.

The success of the vaccination programme has given confidence to the authorities to further open the economy and remove some of the restrictions. During this period domestic investors acted confidently and positively, helping drive the Vietnam stock market to record levels. The portfolio constructed by the Investment Manager on behalf of the Company, and the nimble approach to stock selection and portfolio weighting helped the Company perform even better than the overall market and peers. The Investment Manager's Report has greater details on the performance of the Company and the portfolio during this remarkable period.

The Board has kept a very close eye on the developments in Vietnam and elsewhere during the course of the last six months and continues to adopt sensible business continuity practices. Once again, our AGM was held remotely, and travel of our Board members remains

impacted by various restrictions in place, although these do seem to be easing somewhat. Sadly, this meant that we were once again unable to meet in Vietnam in December, as had been our intention, but we have been in regular contact with the Investment Manager. All of the Company's suppliers have adopted best-practice business continuity plans and are pleased to say that there have been no disruptions to the performance and conduct of the business during the last six-month period.

Lastly, I would like to thank all our shareholders, old and new, for their continued support of the Company. We look forward to 2022 and are confident that the portfolio is in great shape and well-positioned for what could be a break-through year for Vietnam.



Hiroshi Funaki

Chairman

VietNam Holding Limited

18 March 2022

Investment Manager’s Report



Vu Quang Thinh

Chief Investment Officer and Managing Director

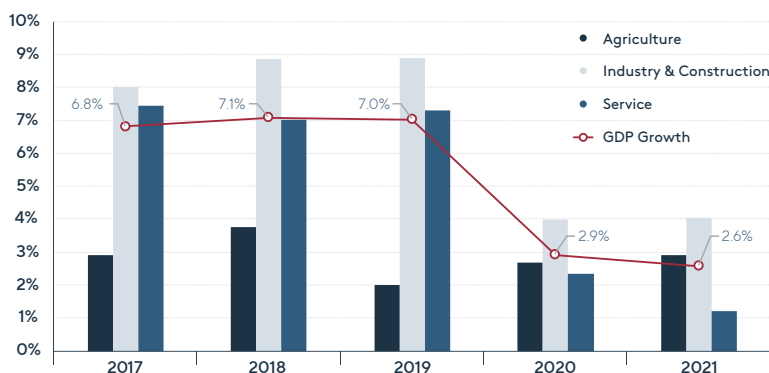


Craig Martin

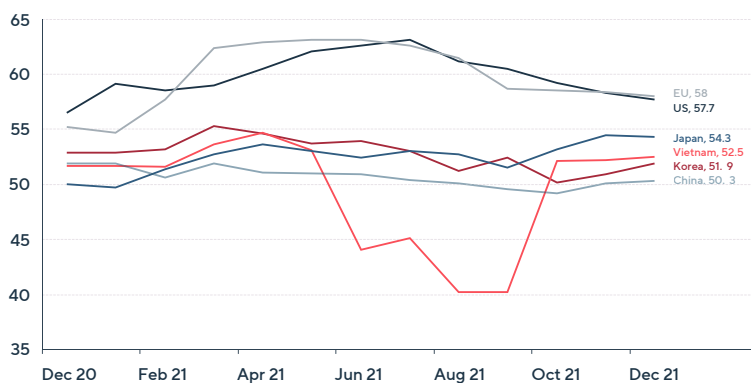
Chairman and Managing Director

The last six months of 2021 was a period characterised by both resilience and divergence. At the start of 2021 GDP growth was forecast to be 7.8%, a rebound from the first year of Covid-19, when full year GDP growth in 2020 was 2.9%, which albeit low for Vietnam given its historical growth was still one of the only economies in the world to grow at all that year. However, during the period under review, Covid-19’s Delta variant arrived with a vengeance in Vietnam, causing significant economic and social disruption, particularly to the manufacturing and services sectors, and squeezing full-year GDP growth down to 2.58%¹.

Vietnam GDP Growth YTD by Sector



PMI Manufacturing Index

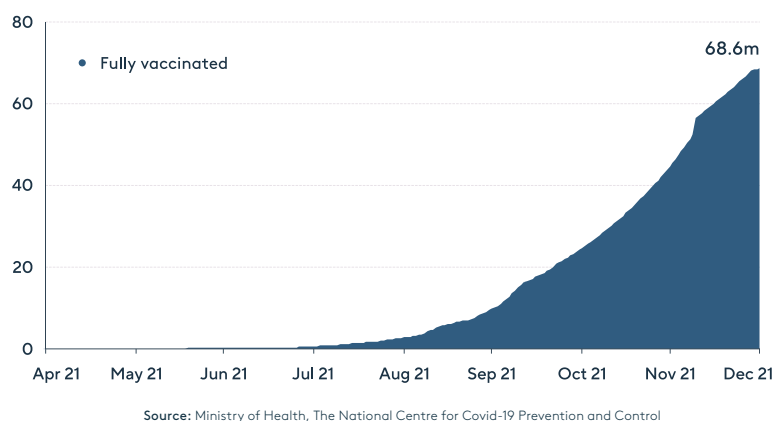


¹Source: GSO, Bloomberg

Investment Manager’s Report (continued)

The combination of a lack of vaccines at the start of the year and reliance on successful measures undertaken in 2020 meant the country was ill-prepared for the more rapid spread of Delta. This led to harsher measures with the government imposing strict lockdowns on most of the country to help contain the outbreak and ensure the health and safety of its citizens. The pace with which the country was able to implement its vaccination programme once supplies were secured was nothing short of remarkable. At times more than 1.5m people a day were receiving the jabs. By the 31 of December nearly 90% of the adult population was fully vaccinated, and 10% had received a third booster. Hanoi, Ho Chi Minh City and Dong Nai (one of the key manufacturing centres in the south of the country) recorded 100% double-vaccinations².

People having received Covid-19 vaccines



Resilience in the face of adverse conditions was demonstrated in terms of economic performance, particularly by strong export growth of 19% year-on-year³ as Vietnam took advantage of new trade deals. In December 2021 monthly exports and imports were at all-time highs. Vietnam has remained a very open economy, and its overall trade reached more than USD 668 bn in 2021, representing more than 200% of GDP, levels seen by only a few countries globally.

Registered Foreign Direct Investment (FDI) was higher than in 2020, surpassing USD 30 bn. However, unsurprisingly, the effects of the ongoing pandemic caused some delays in disbursing FDI, and at a shade under USD 20 bn this was down 1.3% year-on-year. Retail sales especially took a beating in the period, down 30% on comparative periods during some months, but have since recovered.

Unlike in several developed countries where an expectation of potentially sustained inflation is putting pressure on central banks to raise interest rates, Vietnamese interest rates have remained low, and more easing is expected. In part, inflation appears to be under greater control than in developed markets, due to lower food process and demand, and low interest rates could be maintained going into 2022. The National Assembly met recently to finalise a stimulus package of more than USD 15 bn, part of which will be from fiscal policies. Interestingly, the Vietnam Dong strengthened during the period under review, and the US has removed its charges against Vietnam and several other Southeast Asian countries regarding potential currency manipulation.

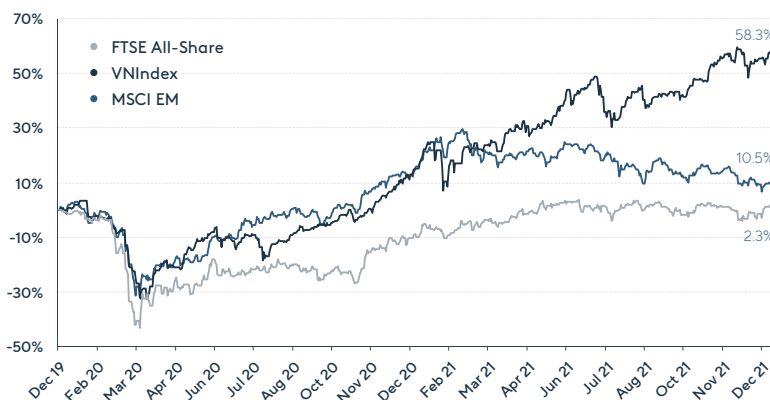
Divergence dominated movements in Vietnam’s equity markets. As foreigners remained on the side-lines (net sellers of USD 2.7 bn during the year), the rise of the retail investor (see below, ‘Rise of the Retail Investor’) changed the profile of the market and impacted different sectors in different ways. Volatility increased, making nimble stock selection and portfolio weighting a very important part of alpha generation.

²Source: Ministry of Health

³Source: GSO

Investment Manager’s Report (continued)

Performance



Overall, Vietnam’s stock market was one of the best performing in the world in 2021 with domestic indices hitting record levels. The VNI rose by 37.4% and the VNAS Index rose by +53.0%. The Fund was up +63.9% for calendar 2021, and +14.1% for the period under review outperforming the VNAS (+10.6%) and peers¹.

For the full year ended 31 December 2021, the Fund demonstrated strong outperformance against the other LSE listed Vietnam Investment Trusts, outperforming VEIL by an estimated 16.7% and VOF by an estimated 26.4%. These two trusts are significantly larger than the Fund (by 15x and 8x respectively), and we believe that our nimbleness in stock selection and portfolio balancing contributed significantly to this outperformance in 2021.

Portfolio Performance

The performance of portfolio companies diverged during the reporting period as the Delta variant caused major disruptions. Mid and small-cap companies performed better, domestic retail investors became increasingly more dominant, and the capital outflow in large-cap stocks rose. We tactically reduced some large caps – mainly in banking stocks and steel-maker Hoa Phat Group – to allocate into selective smaller-cap names particularly in the more thriving brokerage and real estate sectors. We anticipate the wider property market in Vietnam to continue to perform well in 2022 as government-supported investment in infrastructure accelerates. We also added to our positions in leading brokerages, which we feel are well-positioned for opportunities that should crop up as the country’s capital markets gradually ripen and expand.

During the six-month period, our overweight position in brokerages contributed the most (+6.46%) to the overall +14% return with our sector picks rising almost 54%. We were under-weight on real-estate, but our stocks rose 36% which contributed another 6% to the overall return. We were overweight in the retail sector and one of our holdings, Digiworld (DGW) rose by 94%. Overall, the retail part of our portfolio was up 25%, contributing 3.4% to returns. Our largest single position, technology and telecommunications champion FPT (10% NAV), rose by 7.9% contributing 1% to the portfolio return. Banks, which had been our biggest winning sector bet in the year that ended 30 June 2021, fell by 6.5%, but our tactical underweight (24% vs 33% for the VNAS index) helped staunch the negative contribution to 2.7%. We missed out on the strength in the Construction and Materials, Chemicals, and Utilities sectors which rose by 80%, 43% and 38% respectively.

Our top performing stocks were real-estate developer Nam Long (4.7% NAV, +85.6%), brokerage VNDirect Securities (3.2% NAV, +61.4%), omni-channel retailer Mobile World (6.8% NAV, +36.1%), real-estate developer Khang Dien House (5.4% NAV, +37.2%) and diversified conglomerate Masan Group (3.2% NAV, +56.6%). Our laggards were the steel titan Hoa Phat Group (6.7% NAV, -9.0%) which paused for breath after rising more than 100% in the year to 30 June 2021, real-estate developer VinHomes (4.3% NAV, -7.5%) and three of our banks: VP Bank (6.0% NAV, -3.9%), MB Bank (5.6% NAV, -9.1%), and Vietin Bank (4.4% NAV, -14.1%).

¹Source: Bloomberg

Investment Manager's Report (continued)

Rise of the Retail Investor

The Fund's 15th anniversary this year coincided with an unprecedented escalation in domestic investor activity. The market value of publicly traded companies in Vietnam is now over USD 300 bn, up from USD 2 bn in 2006, when the Fund launched. As a result, the stock market has created additional wealth and income for the many new domestics.

As part of our rigorous market analysis, we commissioned an independent research firm to conduct a first of its kind survey on the sentiment and behaviour of the growing retail investment base in Vietnam, and the findings painted an accurate and upbeat picture of what was to come in the last quarter of 2021 as vaccinations picked up pace and lockdown restrictions were gradually lifted. The first phase of the survey was carried out in August, and the second phase in October. The survey captured the changing nature of Vietnam's retail investment market, namely how these investors have emerged as a decisive buying force by allocating their money in selective stocks more than in traditional assets, such as gold. It also pointed to an interest in cryptocurrencies, with respondents claiming to hold 15% of their portfolio in cryptocurrencies.

We found that it is early days for the rise of the retail investor. Since Covid-19 struck and working from home became the new norm, this investor base has grown to an estimated four million trading accounts, around 3% of the country's population, which is remarkably more than in the UK and similar to Taiwan's figure in 1986 when the market there went on to experience a decades-long stock market surge. Of the survey's 425 respondents, 79% recorded strong gains in the past year and 59% said they feel optimistic about the market going up more than 5% in the final months of 2021. This suggests an optimistic outlook despite the Delta variant's paralysing effect on trade in the first months of the reporting period.

Economic Outlook

In terms of our broader economic outlook, we expect another divergent year in Vietnam's stock market with one of the most important themes being on how companies address changing stakeholders' needs. As a responsible investor, good corporate governance has always been at the heart of our investment process, and our research continues to focus on how changes in consumerism, urbanisation and industrialisation shape Vietnam's future. Our keen interest in how the behaviour of Vietnam's large millennial population influences business decisions and corporate culture is a prime example. In fact, we have been largely engaged with how investee company retailers are preparing for Tet and the year-ahead and omni-channel retailer Mobile World, one of the top three performers in our portfolio, has been applauded for its recent campaign highlighting the value of family in today's pandemic-stricken world.

Furthermore, as the Regional Comprehensive Economic Partnership agreement came into effect as of the start of 2022, Vietnam's government and business leaders will become even more exposed to the global corporate stage with trading partners, suppliers, and customers from abroad watching how they deal with the pandemic and rapid transformations. Vietnam could benefit greatly from this historic free trade agreement as many of the latest 2022 forecasts of 6.5%¹ GDP growth attest.

By the start of 2022, retail sales had bounced back, export growth hit at an all-time high and global corporations continued to shift production from China to Vietnam. In addition, on 1 January 2022, the government lifted international flight bans and resumed travel to and from Cambodia, Singapore, Taiwan, Japan and the US to those who are fully vaccinated. A gradual re-opening of international travel could breathe some life back into Vietnam's tourism industry, a sector that accounts for about 10% of GDP². The pandemic brought this booming sector to its knees, and the country missed out on its annual 18 million or so foreign arrivals and USD 333 bn in income.

¹<https://english.thesaigontimes.vn/vietnams-economic-recovery-to-accelerate-markedly-in-2022-standard-chartered/>

²<https://dangcongson.vn/kinh-te/du-lich-viet-nam-no-luc-chuyen-minh-chu-dong-thich-ung-trong-tinh-hinh-moi-584986.html>

³<https://nhipsongdoanhnghiep.cuocsongantoan.vn/hoi-sinh-nganh-du-lich-tung-tao-33-ty-usd-cua-viet-nam-qua-goc-nhin-hsbc-post3092165.html>

Investment Manager's Report (continued)

Economic Outlook (continued)

Trade levels are expected to grow further, even though one of Vietnam's key trade partners, China, is facing domestic issues because of its 'zero-covid' policy. Countries that share borders with China, including Myanmar and Vietnam, have faced problems of exporting produce by land. At the end of December this caused significant distress for farmers of fruits and vegetables, who were unable to export their fresh produce, and rather than face the prospect of their labours rotting in containers at the border, instead sold their produce cheaply in the domestic market. Vietnam's emergence as a manufacturing-for-export hub gained a further shine when Lego announced it would invest USD 1 bn to build its seventh factory in the world in Vietnam, only its second in Asia. Importantly, given the green-growth initiatives of the Vietnamese government, Lego is planning this as a carbon-neutral factory – its first.

Citing data from the International Monetary Fund, Bloomberg reported on 21 January¹ that Vietnam is copying the winning formula of East Asian Tiger economies: free and frictionless trade, and with just a fraction of the population, Vietnam is winning more market share in world trade than India, to become the 'world's next factory'.

Vietnam's attractiveness as a place to manufacture will continue to shine in 2022, and this should boost FDI, create more jobs as well as drive exports in the long-term. Vietnam banked a trade surplus of USD 4 bn in 2021, after several months of trade deficit during the factory closures due to Covid, and 2022 should see this surplus expand. As a result, Vietnam's balance of payments and foreign exchange reserves are expected to remain very robust. Vietnam is also expected to post a full-year 2022 GDP growth of around 6.7%², exactly its 30-year average. The first Omicron cases were recorded in Vietnam on the 20 of January, and the extent of the spread of the variant is currently uncertain. Authorities may hope that this time round the country's defences are stronger due to the impressive vaccination plan discussed earlier.

Force for Good

The United Nations Climate Change Conference in Glasgow dominated headlines briefly in October and November, and a delegation from Vietnam bravely set out its Net-Zero ambitions, ahead of many other countries. Prime Minister Pham Minh Chinh pledged alongside more than 40 other countries around the world to phase out coal and commit to achieving net-zero carbon emissions by 2050. Speaking at the 26th session of the Conference of the Parties, COP26, he called for fairness and justice in dealing with global climate urgencies and discussed the Government's plans for trying to align its policies both with international investors' corporate governance expectations and Vietnamese citizens' own health and prosperity in mind.

Countries and companies will need to consider how the challenges of transitioning to clean energy can be overcome and plan for a future without fossil fuels. Vietnam has quickly become a key country in global supply chains, and local company directors know they will be required not only to report about sustainability and their strategies for reducing carbon emissions but also take more action to ensure they achieve their goals and meet stakeholder demands.

The Fund has always believed its stewardship role as a responsible investor is a very important one when it comes to environmental and social matters in Vietnam, and as Investment Manager we have been enhancing our active engagement with boards and senior management of our portfolio companies regarding climate and other environmental, social and governance (ESG) risks. We intend to work with them even more on how to measure and report about sustainability by providing training and encouraging them to adopt internationally accepted accounting standards.

¹Bloomberg Opinion, 21 January 2022

²<https://vietnamnews.vn/economy/1114426/standard-chartered-forecasts-viet-nam-2022-gdp-growth-at-67-per-cent.html>

Investment Manager's Report (continued)

Force for Good (continued)

Earlier in 2021 the Fund's board pledged its own allegiance to the Paris Agreement and commitment to the Task Force on Climate-related Financial Disclosures (TCFD) in addition to becoming a member of the Asia Investor Group for Climate Change (AIGCC). The portfolio's carbon footprint is also 32% lower than the VNAS index. This has been a result of the Fund's active management style in sector allocation and selection of best-in-class companies. The Fund is nimble and can navigate small to large companies and maintain the high-level of engagement with investee companies on progressing their own ESG journeys too.

In our view, the climate change transition requires everyone to play their part and Vietnam is currently the largest market for renewable energy in the region and is proactively directing investment into a greater mix of clean sources that can interconnect in the grid over time. Foreign multinationals have continued to set up operations in the country partly given its strategic location at the cross point of Southeast and Northeast Asia and as the government carries on with its privatisation process and the freeing up of state capital. Foreign investors can also play an increasingly essential part of the ESG story in Vietnam, which now makes up 30% of the MSCI Frontier Market. As Vietnam's listed companies begin to raise their game on reporting on sustainability and other issues, and as capital market reforms continue to be implemented, the prospect of an eventual inclusion in the MSCI Emerging Market index may whet appetites further.

There is no doubt that the high growth that Vietnam experienced prior to Covid-19 has been stymied by the ongoing pandemic, and it is inevitable that supply chain and other structural risks will remain an integral part of the script in 2022, but the velocity of change, in terms of policy and rising environmental and social urgencies, is the reality that countries and companies all over the world face, large and small. When Vietnam eventually moves up from a frontier to an emerging market status, there could be a sea change in corporate and social responsibility not seen in its growth story ever before. Please see the 'Market Report' that follows for an independent research perspective on Vietnam.

Dynam Capital, Ltd

18 March 2022

Market Report



Loving Vietnam

Why is Vietnam so favoured by global investors, that it accounts for 25% of all the global money invested in Frontier equities, when Vietnam is just one (5%) out of 22 countries in the MSCI Frontier index? In this one-page preview of my forthcoming book, the *Time Travelling Economist*, I'll explain why Vietnam ticks every box required to escape poverty, reach middle income status and converge towards developed market wealth levels.

Firstly, Vietnam truly values education. The vast majority of people do in every country, but Vietnam had already achieved over 80% adult literacy in the 1980s, ahead of China in the 1990s and India in the 2010s. Any country needs 70-80% to industrialise and Vietnam is decades ahead of not just mainstream emerging markets, but also Frontier markets like Nigeria or Pakistan where the number is still around 60%. Moreover, the country's leadership – perhaps inspired by communist roots that have always prioritised education – have encouraged a strong focus on education at secondary school and university level too. Nearly a decade ago, Vietnam already had 125,000 students at universities abroad, with the 8th largest national representation of any country at US universities. The vast majority bring home these hard-earned skills

Industrialisation does not just require a population that can read and write. It's vital that factories have power too. Here again Vietnam is way ahead of so many peers. The latest data for 2018 shows per capita electricity consumption was above Mexico or Egypt, and more than double that of India or Indonesia. We estimate countries need 300-500 kwh per capita of electricity to industrialise. Vietnam had soared past that level in 2005, nearly a generation ago. The third key element in economic success is reaping the benefits of the demographic dividend. When a country's fertility rate drops below three children per woman, parents stop spending all their money on feeding their children and start saving money to invest in their children. Bank deposits begin to boom, and with that comes a bank lending boom (and occasionally a short-lived bust too).

Better still, as the basic supply and demand graph in your first economics class will tell you, when the supply of something rises, the price tends to fall. The "cost" of

money gets cheaper. So, while high fertility countries have small banking sectors (around 20% of GDP), and a high double-digit cost of borrowing, Vietnam with a fertility rate of 2 children per woman has deposits above 100% of GDP and low interest rates. This helps explain how Vietnam could afford to build the electricity network that it has.

At the same time, the adult share of the population is high, and the cheap financing to create infrastructure and investment in the private sector, supports job creation. Vietnam is experiencing the sweet spot of the demographic dividend and will do so for many years to come, even as countries like Korea begin to age quite dramatically by 2030. Taken together, all these trends explain why Vietnam is booming. The country now exports far more per capita than China. In 2021 Vietnam had the world's third largest trade surplus with the US, ahead of Germany and Japan, and only behind China and Mexico. Its competitive minimum wage is still half that of China's but likely to rise in coming years, adding fuel to an improving domestic demand story. We should not be surprised if the currency starts to gradually strengthen in coming years, like Germany or Japan's did in the 20th century or China's renminbi has done since 2005.

We expect Vietnam to double its economic size by 2030, and in today's money, be a trillion-dollar economy by 2040, and a \$1.7 trillion economy by 2050 similar in size to where the world's top-10 economy Korea is now. Unsurprisingly, we think foreign investors are right to love Vietnam.

This report is an extract from a forthcoming book, the *Time Travelling Economist*, written by Charlie Robertson @RenCapMan, the global chief economist of Renaissance Capital

Interim Report of the Directors

The Board of Directors (the “Directors”) submits its report together with the Condensed Interim Unaudited Financial Statements of VietNam Holding Limited (the “Company”) for the six-month period from 1 July 2021 to 31 December 2021 (the “six-month period”).

The Company is registered in Guernsey as a non-cellular company with limited liability. The registered office of the Company is De Catapan House, Grange Road, St Peter Port, Guernsey, GY1 2QG.

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 Company’s 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

Interim Report of the Directors (continued)

Investment Restrictions and Diversification

(continued)

- 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, 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.

Principal Risks

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 behaviour of domestic and international investors.

Parts of the portfolio may be prone to enhanced liquidity and price risk.

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.

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.

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.

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.

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.

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 policies were breached.

Interim Report of the Directors (continued)

Principal Risks (continued)

Covid-19

Outbreaks of novel coronavirus (Covid-19) as part of a global pandemic pose a health concern through fast person-to-person spread, resulting in an illness that can lead to death. Lockdowns, quarantine measures and restrictions on travel can cause sustained global economic disruption and slowdown in growth, and can cause some industries and companies to face severe financial pressures that can lead to job losses and in extreme cases bankruptcies, impacting the value of the investments held by the Company, and weakening investor confidence. Key service providers to the Company could face loss of personnel, diminution in service capability and could impact the ongoing operations of the Company. Travel restrictions can prevent the Directors of the Company from meeting in person. Delays in rolling out vaccinations may prolong the economic impact on Vietnam and its population as other countries begin to re-open their borders to travel.

Climate Risk

Climate change is happening faster than models earlier predicted, threatening the safety of billions of people on the planet. Vietnam is one of the five countries most vulnerable to climate change. The country's diverse geography means it is hit by sea level rise, typhoons, landslides, flooding and droughts, and weather events are expected to worsen in coming years. Two types of climate-related risks have been identified. (1) Physical risks: sea level rise, floods and typhoons that put infrastructure or real estate companies with projects in coastal areas or low-lying levels at higher risk from physical impacts of climate change.

(2) Transition risks: climate policy and rising carbon prices may cause higher prices and impact the viability of companies that rely on fossil fuels or those in high carbon intensity activities and may necessitate a significant, and costly, technology shift.

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.

Life of the Company

The Company does not have a fixed life but the Directors consider it desirable that shareholders should have the opportunity to review the future of the Company at appropriate intervals. Accordingly, the Directors intend that every fifth year a special resolution will be proposed that the Company shall continue in existence. If the resolution is not passed the Directors will be required to formulate proposals to be put to shareholders to either wind up the Company or implement a reconstruction, amalgamation or other material alteration to the Company or its activities. The Directors last tabled such a resolution at the Extraordinary General Meeting of the Company on 31 October 2018 and it was passed, allowing the Company to continue as currently constituted.

Results

The results of the Company for the six-month period and the state of its financial affairs as at the reporting date are set out in the Condensed Interim Unaudited Financial Statements on pages 15 to 25.

Performance

To ensure the Company meets its objectives the Directors evaluate the performance of the Investment Manager at least at each quarterly Board meeting and take into account the following performance indicators:

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

Related Parties

Details of related party transactions that have taken place during the period and any material changes, if any, are set out in note 6 of the Condensed Interim Unaudited Financial Statements.

Share Repurchase Programme

Details of the Company's share repurchase programme are set out in note 4 of the Condensed Interim Unaudited Financial Statements.

Interim Report of the Directors (continued)

Board of Directors

The members of the Board during the six-month period and up to the date of this report were:

Name	Position
Mr. Hiroshi Funaki	Non-executive Chairman; Audit and Risk Committee member
Mr. Sean Hurst	Senior Independent Director; Environmental, Social and Governance Committee Chairman
Mr. Philip Scales	Non-Executive Director; Audit and Risk Committee Chairman
Mr. Damien Pierron	Non-Executive Director; Management Engagement Committee Chairman
Ms. Saiko Tajima	Non-Executive Director; Remuneration and Nomination Committee Chairman

Directors' Interest in the Company

As at 31 December 2021 and 30 June 2021, the interests of the Directors in shares of the Company were as follows:

	Shares held as at 31 December 2021	Shares held as at 30 June 2021
Mr. Hiroshi Funaki	19,887	20,643
Mr. Sean Hurst	5,312	8,218
Mr. Philip Scales	10,077	10,000
Mr. Damien Pierron	4,644	5,000
Ms. Saiko Tajima	5,000	5,000

Going Concern

The Board considered it appropriate to prepare the Condensed Interim Unaudited Financial Statements on the going concern basis, as explained in the basis of preparation paragraph in note 2 to the Condensed Interim Unaudited Financial Statements. In making this statement, the Board has made enquiries of the Investment Manager and reviewed the principal risks. The Board also considered the levels of working capital available to the Company, the closed-ended nature of the Company, the liquidity of the investment portfolio, forecasts of future cash flows and the impact of the Covid-19 pandemic. There were no identified material uncertainties to the Company's ability to continue.

On behalf of the Board:



Hiroshi Funaki
Chairman
VietNam Holding Limited
18 March 2022



Philip Scales
Director
VietNam Holding Limited
18 March 2022

Statement of Directors' Responsibilities

The Directors are responsible for preparing this interim financial report in accordance with applicable law and regulations. The Directors confirm that to the best of their knowledge:

- the Condensed Interim Unaudited Financial Statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*; and
- the Chairman's Statement, the Investment Manager's Report and the Interim Report of the Directors include a fair review of information required by

(i) DTR 4.2.7R of the UK Disclosure and Transparency Rules, being an indication of important events, which have occurred during the first six months and their impact on the Condensed Unaudited Interim Financial Statements, and a description of the principal risks and uncertainties for the remaining six months of the year; and

(ii) DTR 4.2.8R of the UK Disclosure and Transparency Rules, being related party transactions, which have taken place in the first six months, and which have materially affected the financial position or performance of the Company during that period, and any material changes in the related party transactions disclosed in the last Annual Report.

On behalf of the Board



Hiroshi Funaki
Chairman
18 March 2022



Philip Scales
Director
18 March 2022

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

Condensed Interim Unaudited Statement of Financial Position

As at 31 December 2021

	Notes	Unaudited As at 31.12.21 USD	Audited As at 30.06.21 USD
Assets			
Non-current assets			
Investments at fair value through profit and loss	7	150,297,849	193,108,385
Total non-current assets		150,297,849	193,108,385
Current assets			
Cash and cash equivalents		5,674,659	6,031,337
Prepayments		-	9,290
Accrued dividends		256,941	30,153
Receivables on sale of investments		-	1,239,041
Total current assets		5,931,600	7,309,821
Total assets		156,229,449	200,418,206
Equity			
Share capital	4	166,645,041	166,645,041
Reserve for own shares		(164,292,160)	(106,170,790)
Retained earnings		152,841,932	135,606,219
Total equity		155,194,813	196,080,470
Liabilities			
Payables on purchase of investments		180,064	3,905,824
Accrued expenses		384,423	431,912
Payables on repurchase of shares		470,149	-
Total liabilities		1,034,636	4,337,736
Total equity and liabilities		156,229,449	200,418,206

The Condensed Interim Unaudited Financial Statements on pages 15 to 25 were approved by the Board of Directors on 18 March 2022 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 19 to 25 form an integral part of these financial statements.

Condensed Interim Unaudited Statement of Comprehensive Income

	Note	Unaudited 01.07.21 - 31.12.21 USD	Unaudited 01.07.20 - 31.12.20 USD
Dividend income from investments at fair value through profit or loss		1,055,492	1,658,588
Net gain from investments at fair value through profit or loss	5	18,357,368	40,218,284
Net foreign exchange gain		89,163	1,155
Interest income		-	299,252
Net investment income		19,502,023	42,177,279
Investment management fees	6	1,447,677	999,318
Directors' fees and expenses	6	191,688	211,725
Administrative and accounting fees		114,965	120,994
Custodian fees		84,690	72,592
Audit fees		37,006	32,200
Other expenses		390,284	282,418
Total operating expenses		2,266,310	1,719,247
Other comprehensive income		-	-
Total comprehensive income for the period		17,235,713	40,458,032
Basic and diluted earnings per share		USD 0.50	USD 0.83

The accompanying notes on pages 19 to 25 form an integral part of these financial statements.

Condensed Interim Unaudited Statement of Changes in Equity

	Share capital USD	Reserve for own shares USD	Retained earnings USD	Total USD
Balance at 1 July 2020	166,645,041	(84,813,068)	35,452,331	117,284,304
Total comprehensive income for the period				
Change in net assets attributable to shareholders	-	-	40,458,032	40,458,032
	166,645,041	(84,813,068)	75,910,363	157,742,336
Contributions and distributions				
Repurchase of own shares (note 4)	-	(20,326,645)	-	(20,326,645)
	-	(20,326,645)	-	(20,326,645)
Balance at 31 December 2020	166,645,041	(105,139,713)	75,910,363	137,415,691
Balance at 1 July 2021	166,645,041	(106,170,790)	135,606,219	196,080,470
Total comprehensive income for the period				
Change in net assets attributable to shareholders	-	-	17,235,713	17,235,713
	166,645,041	(106,170,790)	152,841,932	213,316,183
Contributions and distributions				
Repurchase of own shares (note 4)	-	(58,121,370)	-	(58,121,370)
	-	(58,121,370)	-	(58,121,370)
Balance at 31 December 2021	166,645,041	(164,292,160)	152,841,932	155,194,813

The accompanying notes on pages 19 to 25 form an integral part of these financial statements.

Condensed Interim Unaudited Statement of Cash Flows

	Unaudited 01.07.21 – 31.12.21 USD	Unaudited 01.07.20 – 31.12.20 USD
Cash flows from/(used in) operating activities		
Total comprehensive income for the period	17,235,713	40,458,032
Adjustments to reconcile total comprehensive income to net cash from operating activities:		
Interest income	-	(299,252)
Dividend income	(1,055,492)	(1,658,588)
Net gain from investments at fair value through profit or loss	(18,357,368)	(40,218,284)
Purchase of investments	(50,275,477)	(34,723,944)
Proceeds from sale of investments	107,717,621	57,055,944
Net foreign exchange gain	(89,163)	(1,155)
Decrease in receivables on sale of investments	1,239,041	-
Decrease/(increase) in other receivables	9,290	(76,162)
Decrease in accrued expenses	(47,489)	(54,022)
Increase in repurchases of shares payable	470,149	-
Dividends received	828,704	1,634,133
Interest received	-	299,252
Net cash from operating activities	57,675,529	22,415,954
Cash flows used in financing activities		
Repurchase of own shares	(58,121,370)	(20,326,645)
Net cash used in financing activities	(58,121,370)	(20,326,645)
Net (decrease)/increase in cash and cash equivalents	(445,841)	2,089,309
Cash and cash equivalents at beginning of the period	6,031,337	2,561,173
Effect of exchange rate fluctuations on cash held	89,163	1,155
Cash and cash equivalents at end of the period	5,674,659	4,651,637

The accompanying notes on pages 19 to 25 form an integral part of these financial statements.

Notes to the Condensed Interim Unaudited Financial Statements

For the six-month period from 1 July 2021 to 31 December 2021

1. The Company

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

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

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

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

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

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

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

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

2. Principal Accounting Policies

(a) Statement of compliance

The Condensed Interim Unaudited Financial Statements (the "financial statements") have been prepared in accordance with IAS 34 Interim Financial Reporting, the Disclosure Guidance Transparency Rules of the UK's Financial Conduct Authority and the Listing Rules.

The financial statements do not include all of the information required for full financial statements and should be read in conjunction with the Company's audited financial statements for the year ended 30 June 2021, which were prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS"). The accounting policies used by the Company are the same as those applied by the Company in its annual financial statements as at and for the year ended 30 June 2021.

Notes to the Condensed Interim Unaudited Financial Statements (continued)

For the six-month period from 1 July 2021 to 31 December 2021

2. Principal Accounting Policies (continued)

The Directors have assessed the impact, or potential impact, of all New Accounting Requirements. In the opinion of the Directors, there are no mandatory New Accounting Requirements applicable in the current period that had any material effect on the reported performance, financial position, or disclosures of the Company. Consequently, no mandatory New Accounting Requirements are listed. The Company has not early adopted any New Accounting Requirements that are not mandatory.

All non-mandatory New Accounting Requirements in issue are either not yet permitted to be adopted or, in the Directors' opinion, would have no material effect on the reported performance, financial position, or disclosures of the Company and consequently have neither been adopted, nor listed.

(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 and (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 the Vietnamese stocks has increased significantly over the last twelve months with average daily traded volumes increasing by as much as five times the level of the prior period. The Company's liquidity position, taking into account cash held and with the ability to sell underlying assets to meet share buybacks, tender offers and to meet the operating costs of the Company, shows that the Company is able to operate with appropriate liquidity and be able to meet its liabilities as they fall due. The Directors therefore have a reasonable expectation that the Company will have adequate resources to continue its operations for the foreseeable future and continue to adopt the going concern basis of accounting in preparing the financial statements. Improved liquidity in the market and the portfolio was in evidence in August 2021 when the Investment Manager was able to generate close to 30% cash in the portfolio to fund the recent tender offer.

Critical accounting estimates and judgements

The preparation of financial statements in accordance with IFRS 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.

Notes to the Condensed Interim Unaudited Financial Statements (continued)

For the six-month period from 1 July 2021 to 31 December 2021

2. Principal Accounting Policies (continued)

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 Directors consider 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.

3. 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 Directors 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.

All of the Company's investments in securities at fair value are in Vietnam as at 31 December 2021 and 30 June 2021. All of the Company's investment income can be attributed to Vietnam for the periods ended 31 December 2021 and 31 December 2020.

Notes to the Condensed Interim Unaudited Financial Statements (continued)

For the six-month period from 1 July 2021 to 31 December 2021

4. Share Capital

Ordinary shares of USD 1.00 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 redeem 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.

	31.12.21 No. of shares	30.06.21 No. of shares
Total shares issued and fully paid (after repurchases and cancellations) at beginning of the period	42,623,935	50,814,865
Shares cancellation	(13,043,946)	(8,190,930)
	29,579,989	42,623,935
Repurchased and reserved for own shares		
At beginning of the period	-	-
During the period	(13,043,946)	(8,190,930)
Shares cancellation	13,043,946	8,190,930
	-	-
Total outstanding ordinary shares with voting rights	29,579,989	42,623,935

As a result, as at 31 December 2021 the Company has 29,579,989 (30 June 2021: 42,623,935) ordinary shares with voting rights in issue (excluding the reserve for own shares), and nil (30 June 2021: nil) are held as reserve for own shares.

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 Directors may from time to time and at their 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 net asset value per share.

Notes to the Condensed Interim Unaudited Financial Statements (continued)

For the six-month period from 1 July 2021 to 31 December 2021

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

	6 months to 31.12.21 USD	6 months to 31.12.20 USD
Net gain/(loss) from investments at fair value through profit or loss:		
Realised gain/(loss) on disposal of investments	46,797,281	7,191,637
Unrealised gain/(loss) on investments at fair value through profit or loss	(28,439,913)	33,026,647
	18,357,368	40,218,284

6. 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 six-month period to 31 December 2021 was USD 1,447,677 (period ended 31 December 2020: USD 999,318). An amount of USD 225,945 (30 June 2021: USD 273,919) was outstanding as at 31 December 2021.

Directors' fees and expenses

The Board of Directors determines the fees payable to each Director, subject to a maximum aggregate amount of USD 350,000 (2020: USD 350,000) per annum being paid to the Board of Directors 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 six-month period to 31 December 2021 for the Directors fees were USD 191,688 (period ended 31 December 2020: USD 211,725).

As at 31 December 2021, USD 16,350 (30 June 2021: USD 8,250) of Directors' fees were outstanding.

Notes to the Condensed Interim Unaudited Financial Statements (continued)

For the six-month period from 1 July 2021 to 31 December 2021

6. Related Party Transactions (continued)

Directors' ownership of shares

As at 31 December 2021, Directors held 44,920 ordinary shares in the Company (30 June 2021: 48,861) 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 1,280,776 ordinary shares in the Company representing 4.3% of the issued share capital.

7. 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 to 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.

Notes to the Condensed Interim Unaudited Financial Statements (continued)

For the six-month period from 1 July 2021 to 31 December 2021

7. Fair Value Information (continued)

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
As at 31.12.21				
Financial assets classified at fair value upon initial recognition				
Investments in securities	149,989,819	308,030	-	150,297,849
As at 30.06.21				
Financial assets classified at fair value upon initial recognition				
Investments in securities	193,108,385	-	-	193,108,385

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.

8. Basic and Diluted Earnings per Share

The calculation of basic and diluted earnings per share at 31 December 2021 was based on the change in net assets attributable to ordinary shareholders of USD 17,235,713 (period ended 31 December 2020: USD 40,458,032) and the weighted average number of shares outstanding of 34,563,847 (period ended 31 December 2020: 48,612,570).

9. Subsequent Events

There were no other material events that require disclosure and/or adjustments in these financial statements.

Director Profiles

Hiroshi Funaki

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

Sean Hurst

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

Philip Scales

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

Damien Pierron

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

Saiko Tajima

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

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Mr. Damien Pierron
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