



VIETNAM
HOLDING



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Highlights

Financial Highlights

- Net Asset Value (“NAV”) per share outperformed Vietnam All Share Index (“VNAS”) by 3.7%
- Fund has outperformed the VNAS on one, three, five and ten-year basis
- Portfolio Price Earnings ratio is 7x with a forecast EPS growth of 25%

Operational Highlights

- Fund is invested in 21 companies
- Fund received two five stars in latest UN PRI Transparency report
- Carbon footprint of portfolio is 65% below the index

Company Overview

Focused Investment Approach

Portfolio of 21 companies with 68.9% in top-ten positions. The portfolio has a price-to-earnings valuation of circa 7x and an earnings growth forecast of circa 25% for 2023.

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 Capital Does:

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

The Company



VietNam Holding Limited

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 Limited Does:

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

What Makes Us Different

Right Size for the Vietnam Equity Market

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

ESG in the DNA

Since its early days the Company has been an active adherent to best practice in Environmental, Social and Governance issues, believing that better-managed companies on these dimensions will be worth more in the longer-term. The Company has been a signatory of the United Nations Principles for Responsible Investing ("UNPRI") for over a decade and received five-star scores 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") outperformed a falling equities market during the first six months of the financial year. The net asset value ("NAV") per share declined by 16.8 % in US dollar ("USD") terms during the period versus a decline of 20.5% in the Vietnam All Share Index ("VNAS"). For the calendar year that ended on 31 December, the Fund's NAV per share declined by 30.1% against a 39.8% decline in the VNAS. During that period the Fund maintained its outperformance on a one, three, five and ten-year basis.

As a result of the decline in market value of the Fund's listed holdings, Total Assets decreased to USD 105,983,143 as at 31 December 2022, from USD 129,177,449 at 30 June 2022. Total Comprehensive Loss was USD 21,831,338 in the six-month period, a significant decrease on the Total Comprehensive Income of USD 17,235,713 generated in the corresponding period in 2021.

In addition to the Investment Manager's continuing communications initiatives, the Board made appropriate decisions for 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 505,037 shares at an average price of USD 3.248, adding an estimated 0.26 % in NAV per share accretion. The Share buyback authority was renewed by the Shareholders at the AGM in October 2022, allowing up to 14.99% of the Company's issued shares to be bought back. Current practice is that shares bought back are cancelled.

The Board has kept a very close eye on developments in Vietnam during the last six months having travelled to the country both in June 2022 and March 2023 to meet with the Manager's research team and portfolio companies.

We were particularly pleased to witness first-hand the progress the Manager is making with regards to its Environmental, Social and Governance ("ESG") goals. This helps explain why the Fund received two five stars in the UN PRI transparency report and delivered outperformance in the estimated level of Carbon Footprint against the VNAS. The Manager is also continuing its proactive engagement with the Fund's portfolio companies and participation in an ESG conference in Vietnam in May.

2022 marked an important milestone in modern history when as many parts of the world, including Vietnam, were going "back to normal" after two years Covid-19 restrictions, Russia's invasion of Ukraine threw the world into further uncertainty. Although 2022 was a record year for Vietnam's economy, - with its decade high levels of GDP growth (8%), record levels of Foreign Direct Investment, and unmatched trade surplus - it was not a great year for equity investors.

Despite continuing uncertainties globally, 2023 could prove finer for Vietnam. Investors are starting to return to the country's stock markets, with net inflows recorded for the first time since 2019. Additionally, as detailed in the Manager's Report, the market appears to be at historically cheap levels of valuations accompanied with good growth prospects. The Manager also explains how Vietnam can achieve growth despite weakness in the global economy. For example, how reform of the nascent bond market could provide some respite for the real-estate sector in Vietnam, or how the recent government resignations related to corruption scandals can instil some added trust in the country's leadership.

The Manager will continue to seek both sustainable outperformance and strong risk adjusted returns through its active management of our concentrated portfolio of well-researched researched companies.

I would like to thank all our shareholders, old and new, for their continued support of the Company. 2022 has been a very challenging year for investors globally, and we look forward to better results in 2023. Later in 2023 there will be a five-yearly continuation vote for the Company, and we will be in touch with investors during the year with information about the procedures for the vote.

A handwritten signature in black ink, appearing to read "Hiroshi Funaki".

Hiroshi Funaki

Chairman

VietNam Holding Limited

21 March 2023

Investment Manager's Report



Vu Quang Thinh CIO and Managing Director

The last six months of 2022 saw a period of significant volatility in the Vietnamese stock market, resulting in the Vietnam All Share index (“VNAS”) falling by 20.5%. Its performance diverged significantly from the underlying economy and reflected twin fears among domestic investors about the weak global outlook and the increased scrutiny of some domestic tycoons and government officials in the crack-down on corruption.

Vietnam’s macro-economic performance for the full year was remarkably robust with record levels of disbursed Foreign Direct Investment (“FDI”), (USD 22.4 bn), the second highest trade surplus of all time (USD 11.2 bn), high levels of GDP growth (8%), low levels of inflation (3.15%) and modest currency devaluation (3.4%), despite the stock market playing victim of its own success. In the previous 18 months, record numbers of new investors flocked to the stock market, taking advantage of unrivalled access to mobile trading apps, and streamlined ‘KYC’ on-boarding processes. These domestic retail investor flows had driven the market to record levels of liquidity and performance in 2021, but in the face of weak global outlook and domestic scandals in 2022, the profit-taking, coupled with margin calls in a soft and volatile market, created fearful market conditions. Much of the selling was indiscriminate, bringing overall market pricing down to levels not seen for several years. Some of the nervousness was focused on the real-estate market on the back of scandals relating to misuse of the proceeds from corporate bonds issuances that culminated in the arrest of a significant property tycoon. The arrest coincided with a restriction on bank credit and the inability to access either bank loans or bonds, pushing one or two large property developers into default on some of their financing obligations. Markets were also rattled by the purges and resignations of political appointees, which were mostly related to inappropriate procurement practices of Covid-19 test-kits and Covid-related



Craig Martin Chairman and Managing Director

repatriation flights. It appears the chain of command is also the chain of responsibility, and at the end of the year two deputy-prime ministers were removed from power. Then, in early January, just before the Lunar New Year ‘Tet’ holiday, President Nguyen Xuan Phuc announced his retirement.

Despite all this noise Vietnam continued to cement its position as a key manufacturing hub, with ‘made in Vietnam’ appearing on an increasing amount of the world’s inventory of running shoes, garments, and IT accessories. Bilateral trade reached USD 733 bn in 2022, another record year. In fact, over the last five years trade has increased by more than 52%¹. China is the largest trading partner (USD 178 bn) followed by the United States (USD 124 bn), Korea (USD 87 bn), Japan (USD 48 bn) and Taiwan (USD 28 bn). Trade with the US has doubled over the last five years, which is indicative of the changing global patterns of trade. When President Trump tweeted against China in 2018, many manufacturers accelerated plans to produce more in Vietnam. The deepening trade war and deterioration in trust between US and China has brought many investors to the friendly shores of Vietnam. Four percent of US imports are now from Vietnam, a level that was quite unimaginable just a few decades ago. Trade can be fickle, and some of the gains came at China’s expense because of dislocations brought about by Covid-19 and China’s zero-Covid policy response. China has now abandoned this policy, and notwithstanding a soft global economy, may regain some of this market share. However, Vietnam’s role in a China-plus-one world supply chain is unlikely to be challenged anytime soon.

FDI and global trade have driven growth in Vietnam’s economy, broadly measured by GDP, at an average level of

¹ General Statistics Office. GSO

Investment Manager's Report (continued)

6.5% per annum for the past three decades. In December, Vietnam posted an 8% growth number, its highest in a decade, and 2023 looks likely to remain on the multi-decade track. The domestic consumer in Vietnam has benefitted by economic growth, and per capita GDP is now equivalent to approximately USD 4,000, which is four times where it was when the stock market first opened in the country 20 years ago.

The consumer is becoming better informed and more digital, while e-commerce is growing at 37% per annum, the highest rate in Southeast Asia². Overall retail sales grew rapidly in 2022 and at double digits (20% year-on-year in December 2022), showing strong underlying consumer demand. Some of our portfolio's retail companies saw growth at levels more than the pre-Covid levels, not just 'pent-up' demand replacing sales lost to the pandemic. Phu Nhuan Jewellery ("PNJ") is a case in point. PNJ, the second largest company in the portfolio (10.9% of Net Asset Value, NAV), has around half of all the branded retail jewellery business in Vietnam and opened 38 new stores in 2022 (taking the store count to 364) with plans to open 40 stores throughout 2023. Over the last five years PNJ has maintained its Return on Equity at around 20% (versus the Index level of 15%) and has very little debt. We view this company as an 'earnings compounder' and a core holding. Over the last decade it has increased its market value from USD 100m to USD 1bn.

Despite the large growth in domestic wealth, the World Bank estimated in 2018 that less than 40% of the adult population have bank accounts. Credit card penetration is only 4%, versus 21% in China and 54% in Taiwan³. As such, the scope for the growth in the banking sector, and financial services in general, remains significant. Opportunities are also backed by the fact that banking stocks are at historically low levels of 0.8 to 1.0 Price to Book. The banking sector accounts for 38.6% of the VNAS, and the Fund's six bank holdings account for 30.8% of the Fund's NAV.

Portfolio Performance

In the period of 1 July to 31 December 2022, the Fund's NAV per share declined by 16.8% versus a decline in the VNAS of 20.5%. This brings the Fund's overall return for 2022 to -30.1% versus a -39.8% decline in the VNAS Index.

The second half of calendar 2022, the period under review, required nimble stock and sector selection. In the face of a domestic liquidity crunch for the real-estate sector, we reduced the Fund's exposure to the sector, which declined by 38% (our sector picks by 29%), and we were underweight at 11.7% for real-estate versus the index level of 18.5%.

We have maintained strong conviction on FPT, a leading technology and telecommunication champion, resulting in an 11.8% allocation to the sector versus the index's 4.5%. The Fund is also overweight in the retail sector (16.7% versus 5.7%) and our holdings overall performed better than the benchmark with a decline of 24.2% versus 31.2% for the index, apart from MWG which fell by 40% during the period. Two of our bank holdings – Sacombank and Vietin Bank managed to make positive returns during the period, and the sector buffered the overall declines in the real-estate, transportation, and retail sectors.

Economic Outlook

Vietnam's trade levels are close to 200% of GDP - making it one of the most open economies in the world. Although the country has a diversified mix of trading partners, it will not be able to escape global headwinds resulting from economic recession in those export markets. Trade levels in December showed slowing demand for many goods, and it could take several months for inventory levels and demand levels to normalise. In Vietnam's favour is the fact that it produces a wide range of goods, and in many instances is a low-cost producer. Although demand may fall for some categories and therefore impact employment at the factories and industrial parks, the country will still be expected to earn foreign exchange from the many basic commodities it produces in quantity, including coffee, rice, rubber, pork, fruit and vegetables. The latter categories may also see firmer demand from China as the country opens-up from strict Covid restrictions.

Domestic spending on public infrastructure is expected to be a strong catalyst for economic growth in 2023. The Government was running behind its plans in 2022 but has earmarked a total of USD 30 billion for 2023. This may provide a buffer against headwinds from the global trading partners, many of whom may be close to or entering recession in 2023. The domestic infrastructure expenditure is expected to cover core sections, including road and rail infrastructure. Improvements in these areas will support greater productivity for Vietnam's manufacturing centres and have a knock on or multiplier effect for the economy as a whole. Vietnam is still a rural-based country with urbanisation at less than 40%. While the country has made good strides in digital infrastructure - mobile phone penetration is high and internet connectivity is affordable for much of the population - the arterial road network requires further development and the railway connections between the major cities need significant upgrades.

² Source: 'Google, Temasek and Bain, e-Economy SEA 2022'

³ Statistics from the Payment Department of the State Bank of Vietnam (SBV)

Investment Manager's Report (continued)

Economic Outlook (continued)

A long-term project to connect Hanoi and Ho Chi Minh City in six hours with a high speed 'bullet-train' was reignited in 2022 and has been cited as one of the ways to help Vietnam deliver on the promises of Net-Zero by 2050. The single-track rail line today is old (completed in 1936) and slow, as the 1,726-kilometre journey between the cities takes more than 30 hours. Air-travel is the main commercial alternative, and the two-hour flight is the fourth busiest domestic air route in the world, according to the Director of the Civil Aviation Authority.

Vietnam was quick to open to foreign visitors in 2022 and, as the Chairman notes, the Board of the Fund has visited the country twice over the last twelve months. The rebounding effect of tourism should continue in 2023 and may be accelerated by the return of Chinese tourists in the second quarter, perhaps when the peak of recent Covid infections in China has passed.

Although domestic investors have been nursing their wounds, as mentioned before, foreign investors have started returning to Vietnam's stock market, attracted in part by historically low valuations with the overall market on a Price to Earnings ratio of 10x. As a result, 2022 saw the first net foreign inflows since 2019. Vietnam is still a frontier market, and 'emerging' status is elusive for now. 2023 should see the implementation of a new stock exchange infrastructure, but until foreign investors are convinced that there is a level playing field in terms of market access, Vietnam will remain the most developed of the Frontier Markets and the largest for some time to come.

Force for Good

At the 2021 United Nations Climate Change Conference in Glasgow (COP26) 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. The Prime Minister 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. At last year's COP27 in Egypt, Vietnam reaffirmed its commitment and the Group of Seven ("G7") industrialised nations have offered USD 15bn in funding to assist with the country's transition away from coal.

As detailed in last year's Annual Report, the Fund received two five stars in the United Nations Principles for Responsible Investing ("UNPRI") transparency report. 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. Over the last six months we have been pleased by the progress made at some of our core holdings and have been able to provide some advice and assistance to these companies in their own ESG journey. We intend to build on this work in 2023 and are planning to sponsor and support one of the first ESG conferences in the country scheduled for the end of May 2023.

Dynam Capital, Ltd

21 March 2023

Market Report

The following is an article written by Craig Martin, Chairman of Dynam Capital, Ltd which was published in the UK in Investor Magazine on 6 February 2023.

A new frontier in Vietnam

Vietnam currently accounts for 30% of the MSCI Frontier Market Index, making it the largest and most developed constituent of it, so when can we expect the country to step up to the Emerging Market Index?

The rapid rise of the retail investor in Vietnam has transformed the country's capital markets. Two and a half million new trading accounts were opened in the past year alone, with the overall market value surpassing US\$ 300 billion since the stock market opened two decades ago. Daily liquidity now averages close to US\$1 billion, and more than 80% of this activity comes from domestic investors, whose investment into the stock market replaced US \$2 billion or so of foreign capital that was pulled out of Vietnam during the pandemic years.

Yet despite greater local interest and this increasing size and liquidity of the stock market, Vietnam is still classified as a 'Frontier' country by leading global equity index providers. It is the largest and arguably most developed constituent of the MSCI Frontier Markets Index (MSCI FM), with Vietnamese companies accounting for 30% of the US\$88 billion represented in the index, but the curveball of a year that was 2022 has inevitably delayed its inclusion in the much larger – US\$6 Trillion – MSCI Emerging Market (MSCI EM).

Indices, such as the MSCI FM and the much larger MSCI EM, are widely used as a benchmark for active and passive global institutional investors and fund managers. The MSCI FM comprises 99 companies from 29 countries and six Vietnamese listed companies are already in the top ten stocks. When a country's stocks are included in the index, there is typically an increased allocation from investors who use that benchmark.

The high stakes and potential growing aches

To be eligible for inclusion in the MSCI EM, a company must have a market capitalisation of at least US\$ 1 billion, as well as a minimum level of trading activity and liquidity. The country must also have regulations in place that allow foreign investors access to its stock market, along with a sufficiently developed infrastructure for trading and settlement. Interestingly, other Asian countries, including China, India, Indonesia, Korea, Malaysia, Philippines, Thailand, and Taiwan already represent a third of the 24 constituents of the MSCI EM.

It goes without saying that when and if Vietnam was to be included, the country would attract significantly more foreign capital and potentially see a re-rating in the valuation of several of the companies listed on its stock markets. Some studies have also suggested that such an upgrade would also reduce market risk, lower the cost of capital, and make the equity market more suitable as a source of domestic financing.

Market Report (continued)

The high stakes and potential growing aches (continued)

Today Vietnam does not fully meet the 18 criteria for inclusion set by MSCI and falls short on the key aspects of openness and equal treatment for foreign investors. As MSCI's evaluation is based on feedback from institutional investors, brokers, and custodians, there would need to be a visible and demonstrable improvement in areas such as the amount of 'free float' available to foreigners after taking into consideration foreign ownership restrictions. Currently more than 10% of Vietnam's market is impacted by such ownership restrictions, and more than 1% of the Vietnam Index suffers from lack of room for investors as a result.

Although progress has been made, there are short-term and mid-term impediments to improving the perception in investors' minds. Exchange infrastructure needs to be enhanced with a facilitating central counterparty clearing system that reduces trade settlement periods and removes the current requirement to 'pre-fund' investor accounts. Theoretically, much of this can be addressed when the stock market system is upgraded. The good news is that the Vietnam Securities Depository and Clearing Corporation (VSDC) was established in December 2022, and this should allow the new 'KRX' trading platform to go live midway this year. However, we still have mid-term issues, which are primarily about easing capital flows and opening more of the addressable market to foreign investors.

MSCI conducts its reviews of countries annually and usually announces its findings every June. The review process for Vietnam as with all countries would be done in stages, not overnight. First, if enough progress is identified, Vietnam would be added to the watchlist 'for potential upgrade'. One year later, if all went to plan, there would be an announcement made stating that the country would be included. Then, assuming all is well another year on, it would receive actual inclusion. It had been hoped that the first phase could be completed by June 2023, leading to inclusion by June 2025, but given the roller-coaster ride of 2022, this timeframe has probably slipped by at least one year.

Moving forward

The most important point is that these incremental steps needed for eventual inclusion would benefit everyone investing in Vietnam in the long-term. Although the actual amount of inflow to the market might be modest, maybe US\$5 to US\$10 billion initially, the prestige would also be welcomed by the government. Indeed, over the last twelve months or so, the focus of the general secretary of the Communist Party, Nguyen Phu Trong, has been on cleaning up misconduct in the system by pursuing private and public corruption and refining some of the rules related to bond issuance. Last year, the heads of the stock market and the regulator were removed, and there have been some short-term delays in implementing upgraded market infrastructure. A new chairwoman has been appointed to the State Securities Commission and she has just reaffirmed the launch of the new exchange trading platform and additional capital market developments.

Sadly, as we saw, sentiment among the six million or so domestic investors weakened for much of 2022 as global markets declined and local anti-corruption cases rattled local real estate stocks. Vietnam's market fell by more than 35% and became one of the world's laggards despite it being its champion only one year before. Thus, the market certainly could do with some positive news, as the eyes of investors likely stay on global events, such as the war and fear of recession and trajectory of US interest rates and inflation. Closer to home, investors will be watching signs of greater stability in the bond and real-estate markets.

Nevertheless, there is no urgency for Emerging Market inclusion amongst domestic investors and for foreign investors who wish to invest in Vietnam they can already do so through specialised funds, such as Vietnam Holding. Eventual inclusion would be a significant step for Vietnam, putting it more firmly on investors' radars, but looking down the road there will be many opportunities to reap even before that happens.

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 2022 to 31 December 2022 (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 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL.

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.

Interim Report of the Directors (continued)

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, 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 such as the conflict between Russia and Ukraine. 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.

Interim Report of the Directors (continued)

Principal Risks (continued)

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.

Covid-19

Further widespread outbreaks of contagious diseases, such as novel coronavirus (Covid-19) could 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 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.

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

Interim Report of the Directors (continued)

Life of the Company (continued)

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. The Fund has a formal continuation vote in 2023 and it is the current intention of the Board to table a continuation resolution at the 2023 Annual General meeting.

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 13 to 21.

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.

Board of Directors

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

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

Interim Report of the Directors (continued)

Directors' Interest in the Company

As at 31 December 2022 and 30 June 2022, the interests of the Directors in shares of the Company were as follows:

	Shares held as at 31 December 2022	Shares held as at 30 June 2022
Hiroshi Funaki	19,887	19,887
Sean Hurst	5,312	5,312
Philip Scales	10,077	10,077
Damien Pierron	4,644	4,644
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, the impact of the Covid-19 pandemic and other geopolitical factors such as the conflict between Russia and Ukraine. There were no identified material uncertainties to the Company's ability to continue.

On behalf of the Board:



Hiroshi Funaki
Chairman
VietNam Holding Limited
21 March 2023



Philip Scales
Director
VietNam Holding Limited
21 March 2023

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
21 March 2023



Philip Scales
Director
21 March 2023

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 2022

	Notes	Unaudited As at 31.12.22 USD	Audited As at 30.06.22 USD
Assets			
Non-current assets			
Investments at fair value through profit or loss	7	99,515,762	120,957,996
Total non-current assets		99,515,762	120,957,996
Current assets			
Cash and cash equivalents		6,467,381	8,160,681
Accrued dividends		-	58,772
Total current assets		6,467,381	8,219,453
Total assets		105,983,143	129,177,449
Equity			
Share capital	4	166,645,041	166,645,041
Reserve for own shares		(167,337,268)	(165,709,783)
Retained earnings		106,055,571	127,886,909
Total equity		105,363,344	128,822,167
Liabilities			
Payables on purchase of investments		253,699	-
Accrued expenses		285,122	355,282
Payables on repurchase of shares		80,978	-
Total liabilities		619,799	355,282
Total equity and liabilities		105,983,143	129,177,449

The Condensed Interim Unaudited Financial Statements on pages 13 to 21 were approved by the Board of Directors on 21 March 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 17 to 21 form an integral part of these financial statements.

Condensed Interim Unaudited Statement of Comprehensive Income

	Notes	Unaudited 01.07.22 - 31.12.22 USD	Unaudited 01.07.21 - 31.12.21 USD
Dividend income from investments at fair value through profit or loss		809,155	1,055,492
Net (loss)/gain from investments at fair value through profit or loss	5	(20,501,018)	18,357,368
Net foreign exchange (loss)/gain		(408,115)	89,163
Net investment (loss)/income		(20,099,978)	19,502,023
Investment management fees	6	965,443	1,447,677
Directors' fees and expenses	6	190,646	191,688
Administrative and accounting fees		99,863	114,965
Custodian fees		79,417	84,690
Audit fees		37,762	37,006
Other expenses		358,229	390,284
Total operating expenses		1,731,360	2,266,310
Other comprehensive income		-	-
Total comprehensive (loss)/income for the period		(21,831,338)	17,235,713
Basic and diluted (loss)/earnings per share		(USD 0.75)	USD 0.50

The accompanying notes on pages 17 to 21 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 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
Balance at 1 July 2022	166,645,041	(165,709,783)	127,886,909	128,822,167
Total comprehensive loss for the period				
Change in net assets attributable to shareholders	-	-	(21,831,338)	(21,831,338)
	166,645,041	(165,709,783)	106,055,571	106,990,829
Contributions and distributions				
Repurchase of own shares (note 4)	-	(1,627,485)	-	(1,627,485)
	-	(1,627,485)	-	(1,627,485)
Balance at 31 December 2022	166,645,041	(167,337,268)	106,055,571	105,363,344

The accompanying notes on pages 17 to 21 form an integral part of these financial statements.

Condensed Interim Unaudited Statement of Cash Flows

	Unaudited 01.07.22 – 31.12.22 USD	Unaudited 01.07.21 – 31.12.21 USD
Cash flows from operating activities		
Total comprehensive (loss)/income for the period	(21,831,338)	17,235,713
Adjustments to reconcile total comprehensive (loss)/income to net cash from operating activities:		
Dividend income	(809,155)	(1,055,492)
Net loss/(gain) from investments at fair value through profit or loss	20,501,018	(18,357,368)
Purchase of investments	(25,555,631)	(50,275,477)
Proceeds from sale of investments	26,750,546	107,717,621
Net foreign exchange loss/(gain)	408,115	(89,163)
Decrease in receivables on sale of investments	-	1,239,041
Decrease in other receivables	-	9,290
Decrease in accrued expenses	(70,160)	(47,489)
Increase in repurchases of shares payable	80,978	470,149
Dividends received	867,927	828,704
Net cash from operating activities	342,300	57,675,529
Cash flows used in financing activities		
Repurchase of own shares	(1,627,485)	(58,121,370)
Net cash used in financing activities	(1,627,485)	(58,121,370)
Net decrease in cash and cash equivalents	(1,285,185)	(445,841)
Cash and cash equivalents at beginning of the period	8,160,681	6,031,337
Effect of exchange rate fluctuations on cash held	(408,115)	89,163
Cash and cash equivalents at end of the period	6,467,381	5,674,659

The accompanying notes on pages 17 to 21 form an integral part of these financial statements.

Notes to the Condensed Interim Unaudited Financial Statements

For the six-month period from 1 July 2022 to 31 December 2022

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. 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 2022, 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 2022.

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.

Notes to the Condensed Interim Unaudited Financial Statements

For the six-month period from 1 July 2022 to 31 December 2022 (continued)

2. Principal Accounting Policies (continued)

(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.

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.

Notes to the Condensed Interim Unaudited Financial Statements

For the six-month period from 1 July 2022 to 31 December 2022 (continued)

3. Operating Segments (continued)

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 2022 and 30 June 2022. All of the Company's investment income can be attributed to Vietnam for the periods ended 31 December 2022 and 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.

	31.12.22	30.06.22
	No. of shares	No. of shares
Total shares issued and fully paid (after repurchases and cancellations) at beginning of the period/year	29,225,667	42,623,935
Shares cancellation	(505,037)	(13,398,268)
	28,720,630	29,225,667
Repurchased and reserved for own shares		
At beginning of the period/year	-	-
During the period/year	(505,037)	(13,398,268)
Shares cancellation	505,037	13,398,268
	-	-
Total outstanding ordinary shares with voting rights	28,720,630	29,225,667

As a result, as at 31 December 2022 the Company has 28,720,630 (30 June 2022: 29,225,667) ordinary shares with voting rights in issue (excluding the reserve for own shares), and nil (30 June 2022: 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

For the six-month period from 1 July 2022 to 31 December 2022 (continued)

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

	6 months to 31.12.22 USD	6 months to 31.12.21 USD
Realised (loss)/gain on disposal of investments at fair value through profit or loss	(3,268,922)	46,797,281
Unrealised loss on investments at fair value through profit or loss	(17,232,096)	(28,439,913)
	(20,501,018)	18,357,368

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 2022 was USD 965,443 (period ended 31 December 2021: USD 1,447,677). An amount of USD 147,141 (30 June 2022: USD 200,421) was outstanding as at 31 December 2022.

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 (2021: 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 2022 for the Directors fees were USD 160,564 (period ended 31 December 2021: USD 161,442) and expenses were USD 30,082 (2021: USD 30,246).

As at 31 December 2022, USD 7,012 (30 June 2022: USD 9,012) of Directors' fees were outstanding.

Directors' ownership of shares

As at 31 December 2022, Directors held 44,920 ordinary shares in the Company (30 June 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

Notes to the Condensed Interim Unaudited Financial Statements

For the six-month period from 1 July 2022 to 31 December 2022 (continued)

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.

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 31.12.22				
Financial assets classified at fair value upon initial recognition				
Investments in securities	99,515,762	-	-	99,515,762
As at 30.06.22				
Financial assets classified at fair value upon initial recognition				
Investments in securities	120,957,996	-	-	120,957,966

There were no transfers between levels during the period.

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 2022 was based on the change in net assets attributable to ordinary shareholders of USD (21,831,338) (period ended 31 December 2021: USD 17,235,713) and the weighted average number of shares outstanding of 28,991,146 (period ended 31 December 2021: 34,563,847).

9. Subsequent Events

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

Director Profiles

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.

Sean Hurst (Senior Independent Director and Environmental, Social and Governance 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 traded funds and numerous offshore and UCITS funds. He is currently non-executive chairman of both JPEL Private Equity Ltd and Dolphin Capital Investors Ltd. 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 (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.

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 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 Supérieure des Mines de Paris. He is a Dubai resident.

Saiko Tajima (Remuneration and Nomination 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 8 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.

Key Parties

Directors

Hiroshi Funaki
Sean Hurst
Philip Scales
Damien Pierron
Saiko Tajima

Investment Manager

Dynam Capital, Ltd
1 Royal Plaza
Royal Avenue
St Peter Port
Guernsey
GY1 2HL

Registered Office, Company Secretary and Administrator

Sanne Group (Guernsey) Limited
1 Royal Plaza
Royal Avenue
St Peter Port
Guernsey
GY1 2HL

Sub-Administrator, Custodian and Principal Bankers

Standard Chartered Bank (Singapore) Limited
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Singapore 486028

UK Legal Adviser

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EC2M 7SH

Guernsey Legal Adviser

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Auditor

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Market Researcher

Dynam Consultancy and Services
Company Limited
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33 Le Duan,
Ben Nghe Ward, District 1
Ho Chi Minh City,
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Corporate Broker and Financial Adviser

finnCap Ltd.
One Bartholomew Close
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*(Nominated Adviser (AIM) until
transference to LSE Main Market)*

Registrar

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