VIETNAM
HOLDING

Annual Report | 2019

Who we are

LSE-listed investment company focussed solely on Vietnam: the fastest-growing economy in South East Asia

Our Purpose

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

Our Vision

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

Highlights of the year

Financial highlights

Total Net Assets (USD)

139.4m

2019 139.4m

2018 202.0m

Net Asset Value per share (USD)

2.719

2019 2.719

2018 3.061

Share Price

183.0p

2019 183.0p

2018 202.4p

Net Asset Value per share (GBP)

2.141

2019 2.141

2018 2.327

Discount to Net Asset Value

14.5%

2019 14.5%

2018 13.0%

On 31 October 2018, the Shareholders approved a tender of 15% of the Fund's shares. The Fund bought back and cancelled 9,711,664 ordinary shares at a price of USD 2.7215 per share.

As at 3 October 2019. (the latest available date before approval of the accounts), the discount to NAV had moved to 20.37%. The estimated NAV per share and mid-market share price at 3 October 2019 was GBP 2.381 and GBP 1.910 respectively.

ONGOING CHARGES

Ongoing charges for the year ended 30 June 2019 have been calculated in accordance with the Association of Investment Companies (the "AIC") recommended methodology. The ongoing charges for the year ended 30 June 2019 were 2.23%.

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

Year end 30 June 2019		
Average NAV	a	USD 160,719,566
Operating expenses*	b	USD 3,587,939
Ongoing charges figure (calculated using the AIC methodology)	b÷a	2.23%

*Operating expenses per the financial statements less one off non-recurring charges of USD 991,150.

Operational highlights

- The appointment of Dynam Capital Limited ("Dynam") as the new investment manager on 16 July 2018;
- Continuation of the Fund for 5 years;
- A 15% tender offer. Shareholders who participated in the tender offer received total proceeds of USD 2.7215 per share;
- Re-domicile from Cayman to Guernsey and adoption of new Articles of Incorporation on 25 February 2019;
- A move from AIM to the Main Market of the London Stock Exchange on 8 March 2019.

Focussed investment approach

Portfolio of 22 companies with 67.8% in ten positions. The portfolio has a Price-to-Earnings valuation of 12.1x and an Earnings growth forecast of 16%.

Structure

Investment Manager

DYNAM

Dynam Capital Ltd

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

What Dynam does:

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

The Company

VIETNAM HOLDING

VietNam Holding

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

What Vietnam Holding does:

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

Strength in mid-caps

Average portfolio company market capitalisation is USD 332m, with over 56% invested in high growth small and mid-cap companies.

Actively Managed portfolio

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

Summary information

THE COMPANY

VietNam Holding Limited (the "Company", "VNH" or the "Fund") is a closed-end investment company that was incorporated in the Cayman Islands on 20 April 2006 as an exempted company with limited liability with number 166182.

On 25 February 2019, the Company, via a process of cross-border continuance, transferred its legal domicile from the Cayman Islands to Guernsey and was registered as a closed-ended company limited by shares incorporated in Guernsey with registered number 66090. The Shares were admitted to trading on AIM in June 2006 and changed to a Premium Listing on the Official List of the UK Listing Authority and admitted to trading on the Main Market of the London Stock Exchange on 8 March 2019. The Company also listed on the Official List of The International Stock Exchange on 8 March 2019. The Company has an unlimited life with a continuation vote in 2023.

INVESTMENT OBJECTIVE AND INVESTMENT POLICY

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 (an "**Investee Company**") or to take an active management role in any such company. However, the Investment Manager may appoint one of its directors, employees or other appointees to join the board of the Investee Company and/or may provide certain forms of assistance to such company, subject to prior approval by the VNH Board.

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

The Company may invest:

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

Borrowing policy

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

Investment restrictions and diversification

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

- The Company will not invest more than 10%. of its NAV (at the time of investment) in the shares of a single Investee Company;
- The Company will not invest more than 30%. of its NAV (at the time of investment) in any one sector;
- The Company will not invest directly in real estate or real estate development projects, but may invest in companies which have a large real estate component, if their shares are listed or are traded on the OTC Market; and
- The Company will not invest in any closed-ended investment fund unless the price of such investment fund is at a discount of at least 10%. to such investment fund's net asset value (at the time of investment).

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

- the Company will not invest in companies known to be significantly involved in the manufacturing or trading of distilled alcoholic beverages, tobacco, armaments or in casino operations or other gambling business;
- 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 its business activities.

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

SHAREHOLDER INFORMATION

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

Vietnam is one of the World's fastest growing economies

driven by favourable demographic trends, increasing urbanization and a rapidly emerging middle class.

DEAR SHAREHOLDER,
I am pleased to announce the final results for the 12 months ended 30 June 2019.

The past year has been a period of considerable change for VietNam Holding Limited ("Company" or the "Fund").

The highlights of the past financial year are:
- The appointment of Dynam Capital Limited ("Dynam") as the new investment manager on 16 July 2018;
- Shareholders approving Continuation of the Fund for 5 years;
- A 15% tender offer. Shareholders who participated in the tender offer received total proceeds of USD 2.7215 per share;
- Re-domicile from Cayman to Guernsey and adoption of new Articles of Incorporation on 25 February 2019;
- A move from AIM to the Main Market of the London Stock Exchange on 8 March 2019.

In addition, the Board is pleased to note that during this period the manager, Dynam, re-domiciled to Guernsey as a Guernsey Financial Services Commission regulated Investment Manager.

TENDER OFFER

On 31 October 2018, the Shareholders approved a tender of 15% of the Fund's shares – which entailed creating a tender pool and selling the shares in that pool over a two-month period. This coincided with a period of low liquidity and an overall sell-off in Emerging and Frontier Markets by ETFs and other global funds. Despite the low liquidity and falling market, the total realisation proceeds we achieved for the tender pool by 28 December 2018 was USD 2.7215 per share, only 4.8% below the 31 October NAV/share.

SHARE BUYBACK AND DISCOUNT

At the EGM on 9 July 2018, Shareholders approved Board proposals to increase the share buyback capacity from 10% to 14.99% of shares outstanding. The buyback authority was subsequently renewed at the AGM on 31 October 2018. Over the 12 months to 30 June 2019 the Fund has repurchased and cancelled 14,705,225 shares, and the mid-price discount to NAV widened slightly from 13.0% to 14.5%.

The Board expects that the various changes that have been implemented, in conjunction with a concerted marketing programme, should lead to improved liquidity and visibility, a broader market for the Fund's shares and, as a consequence, a narrower discount to NAV.

PERFORMANCE

Key to any fund's share discount is the fund's absolute and relative NAV performance. The NAV per share decreased by 11.17% to USD 2.719 during the financial period 2018-19 compared to a total return increase of 2.30% in the VN70 Index in USD terms, and a total return decline of 5.60% in the Vietnam All Share Index ("VNAS"), in USD terms.

Following the successful continuation vote and completion of the tender offer, Dynam is fully focussed on constructing a portfolio of growth companies with an articulated ESG policy. The Investment Policy also grants Dynam the ability to invest up to 20% of the Fund's net asset value in private companies. Dynam provides a more detailed portfolio and performance analysis in the Investment manager's report below. The Board continues to monitor both absolute and relative performance closely.

THE BOARD

In May 2019 we were delighted to announce the appointment of Saiko Tajima to the Board. She has over 20 years' experience in finance, of which 8 years was 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 5 years, she was the Co- Founder of a tech company in Japan focused on online performance marketing, and board member of the Australian subsidiary. She is a Certified Public Accountant in the US and a Certified Financial Planner in Japan. She has a BA in English and American Literature from Chuo University in Tokyo, and is a U.K. resident.

On behalf of the Board, I would like to thank Shareholders for their continued support.

Sean Hurst
Chairman
VietNam Holding Limited
8 October 2019

"Vietnam's 'middle income' population is projected to expand at 18% per annum, adding a further 35 million middle-income consumers by 2030"

Dynam Capital Limited was appointed as the Investment Manager to the Company on 16 July 2018 and during the year moved its domicile from the Cayman Islands to Guernsey where it is regulated by the GFSC. Dynam owns 100% of Dynam Consultancy and Services Company Ltd, based in Ho Chi Minh City, Vietnam, which provides specialised research and consulting services to the Investment Manager.

KEY HIGHLIGHTS

The performance of the Fund for the year was in two distinct parts. From 1 July 2018 until 31 December 2018, the NAV per share fell by 11.04%; from 1 January 2019 until 30 June 2019 the NAV per share fell by only 0.15%. The total year decline in NAV per share was 11.17% compared to a total return decline of 5.60% in the Vietnam All Share Index ("VNAS"), in USD terms.

We have rebalanced the portfolio during the year and added a number of new positions. During the year there were some exits where certain realised returns on investments were adversely impacted by the low levels of liquidity available during the realisation process. The top ten positions for the Fund at the year-end, and those at the end of last year are shown at the end of this report.

VIETNAM'S ECONOMY

Vietnam's macro environment is on the whole stable: benign inflation and well-managed interest rates have so far supported Vietnamese consumer confidence as it reached a record high index level of 129 in Q1 2019, ranking third most optimistic globally, according to a Nielsen survey.[1]

Vietnam is an increasingly open economy, with exports and imports each accounting for the equivalent of 100% of GDP, supported by numerous free trade agreements, including a recently signed bilateral trade treaty with the EU. Although there was a small trade deficit of USD 100m at the end of June, for most of the year there has been a trade surplus. Vietnam is expected to remain the fastest-growing ASEAN economy in the near term with growth of 6.9%[2].

1 The Conference Board Global Consumer Confidence Survey in collaboration with Nielsen; https://www.nielsen.com/wp-content/uploads/sites/3/2019/07/q1-2019-qbn-lite-report.pdf
2 Standard Chartered Global Research, 16 July 2019

The Vietnamese Dong has been relatively stable, depreciating only by 2.1% against the United States Dollar during the year, and in-line with the trend of 2-3% per annum it has experienced over the last 25 years. The country has seen record levels of Foreign Direct Investment (FDI) and this has contributed to record levels of FX reserves, which reached USD 68 billion as at 30 June 2019.

THE FUND'S POSITIONING AND CORE INVESTMENT THEMES

The Company has a very focused investment approach. We have built a relatively concentrated portfolio of 22 companies (67.8% of the Fund in 10 positions) with a bias towards the growth that comes from mid-cap companies (median portfolio market capitalization is USD 332 million).

Our main investment themes are: Domestic Consumption and its enablers (retail, domestic logistics, products and finance), Industrialization (best-in-class manufacturers, international logistics) and Urbanization (real-estate, transportation, clean energy and clean water). These themes are actually linked, as industrialization and urbanization support further robust growth in GDP and domestic consumption.

Vietnam has undergone a fast pace of urbanization. According to a United Nations (UN) forecast, the urban population rose from 33% in 2014 to 36% in 2018 and is expected to reach 43% in 2028. HCMC, as an example, has become a metropolis, expanding its breadth and height, and is now home to more than 10 million people. This growth has necessitated roads, bridges, ports, new townships and a massive demand for modern apartments and landed properties. In a few years this is expected to be augmented by a modern metro system. The Fund has 19.9% exposure to Vietnam's dynamic real estate market, including its holdings in Khang Dien House (KDH, 6.6% NAV), Van Phu Investments (VPI, 5.5% NAV) and Vincom Retail (VRE, 4.9% NAV). The urbanisation trend and improvements in infrastructure (albeit at a slower pace than hoped for), coupled with the growing middle class are increasing the demand for higher quality modern apartments.

Over the past 25 years the pace of industrialization has also been dramatic, and Vietnam has emerged as a significant global player in trade. It is well known as a major producer of garments, footwear, and furniture, but also increasingly as a hi-tech supplier of hardware and software to international customers. Industrial growth has been propelled by Vietnam's population of 96 million people, the third largest in SE Asia, and 15th in the world, with a core and cohesive Confucian backbone and East-Asian economic mindset, generating a pool of labour that is increasingly productive, but also cheaper than China and Mexico. The Fund has a 16.6% exposure to industrial goods and services, including Saigon Cargo Service (SCS, 8.5% NAV) focussed on logistics.

The large population is becoming increasingly data-connected and sophisticated and demand clean water, access to safe food and education for their children. In addition, Vietnam's 'middle income' population is projected to expand at a rate of 18% annually, adding a further 35 million middle income consumers by 2030. According to the Nielsen survey, Vietnam's consumers are already keen on spending more on new clothes, vacations, new technology products, home improvement and decoration as well as paying more for medical insurance. The IMF forecasts that Vietnam's real GDP per capita could reach USD 3,646 by 2023, equivalent to a CAGR of 7.3% and one of the strongest paces of growth in the region. The highly entrepreneurial nature of independent businesswomen and businessmen in Vietnam means that there is a vast, but fragmented, collection of retailers (traditional, modern trade and e-commerce) with a wide-range of local and international brands vying for the attention of the growing consumer spending power. Retail sales in Vietnam grew by 11.5% during the year. The Fund has 20.9% exposure to the retail sector including Phu Nhuan Jewelry (PNJ, 9.6% NAV), Mobile World Group (MWG, 6.6% NAV) and Thien Long Group (TLG, 4.7% NAV).

Utilities and Banks – also domestic plays – account for around 14.6% of NAV. Within this there have been several changes in the portfolio during the last year. We have focussed our banking exposure around Military Bank (MBB,

"Our main investment themes are Domestic Consumption Industrialisation and Urbanisation."

6.1% NAV). This well-managed bank trades at a fairly undemanding price to book ratio of 1.2x, below the sector average in Vietnam of 1.3x and well below the 3.5x of Vietcombank. MBB grew its profit during the year by 31% and has maintained its NPL at a low level of 1.26%. We have also started to make investments in the renewable energy and water treatment and supply sectors, see the Sustainability Report for more details.

2019 OUTLOOK

Macro:

In last year's annual report, we talked about the prospects for a stronger US Dollar and the possibility of a lengthy trade war between the US and China. As anticipated, Vietnam has benefitted from the trade war so far, with record levels of Foreign Direct Investment (FDI), increased market share of exports to the US, and net inflows of foreign funds to its domestic capital markets.

Although the outlook for the global economy remains mixed, the growth in the domestic Vietnam economy supports the Fund's investment themes, and the portfolio has been rebalanced to benefit from this in the medium term. FDI inflows are expected to remain strong for the rest of the year (USD 18bn, equivalent to 6.1% of GDP is forecast for 2019). The fears of a weaker Vietnam Dong have been kept in the cupboard for much of the last year and core inflation is currently below 2%. With these relatively modest levels of inflation, there is some room for manoeuvre for the State Bank of Vietnam (SBV) to remain accommodative to support growth.

Market:

During the year Vietnam remained as a 'Frontier Market' in the MSCI classification, now accounting for almost 18% of the MSCI Frontier Market Index. The much-talked-about upgrade to MSCI 'Emerging Market' status is still some time away, and dependent on continued market reforms. During the year there were several innovations in the equity markets, the biggest being the introduction of covered warrants on major stocks, but the key obstacle to inclusion in the MSCI Emerging Market Index is the existing foreign ownership limits (FOLs) that apply to certain sectors. Foreign investors are already a source of net inflows into Vietnam, and it is estimated that 20% of emerging market funds already have some Vietnam exposure. In the future if Vietnam does 'move up a league' it would be expected to see even more significant flows of foreign capital into its stock markets.

PORTFOLIO:

Many of the top Vietnam stocks (including three of the Fund's top five positions) are at their foreign ownership limits, which means that foreign investors, including VietNam Holding, would have to pay a premium to an existing foreign investor to buy the stock. FOL stocks are approximately 30% of our portfolio as at 30 June.

Mid-cap stocks (stocks with a market capitalisation between USD 100 million and below USD 1 billion) account for approximately 56% of the portfolio as at 30 June 2019. As domestic investors (which account for 80 percent of the stock market) re-rate the small and medium cap stocks over the next three to five years, we hope that more capital will eventually flow into these names, providing more liquidity and justifying the patience of investors, including the Company, who took the risk in these lower liquidity, lower valuation stocks.

The Fund's investment policy also allows up to 20% of NAV to be invested in private companies. At year-end we negotiated an investment through a convertible bond into a private cold-logistics player that would represent approximately 4% of NAV. This investment was in final stages of due diligence and pending completion of conditions subsequent at year-end, but was completed in July.

The portfolio trades on a 12.1x trailing Price/Earnings ratio, which, considering that the forecast Compound Annual Growth Rate in Earnings Per Share for the portfolio is 16.3%, equates to a relatively undemanding PEG ratio of 0.74x.

TOP TEN COMPANIES BY NAV AS AT 30 JUNE 2019 (AND AS AT 30 JUNE 2018)

Top 10 companies as of 30 June 2019	Sector	% NAV
FPT Corp	Telecommunications	10.4%
Phu Nhuan Jewelry JSC	Retail	9.6%
Saigon Cargo Service Corp	Industrial	8.5%
Mobile World Corp	Retail	6.6%
Khang Dien House	Real Estate	6.6%
MB Bank	Banks	6.1%
Van Phu – Invest	Real Estate	5.5%
Hoa Phat Group	Industrial	4.9%
Vincom Retail JSC	Real Estate	4.9%
Thien Long Group Corp	Retail	4.7%
Total		**67.8%**

Top 10 companies as of 30 June 2018	Sector	% NAV
Saigon Cargo Service Corp	Industrial	9.8%
Viet Capital Securities JSC	Financial Services	9.4%
Hoa Phat Group JSC	Industrial	8.2%
Phu Nhuan Jewelry JSC	Retail	7.9%
FPT Corp	Telecommunications	6.5%
Khang Dien House	Real Estate	5.8%
Yeah1 Group Corporation	Travel & Leisure	4.8%
Van Phu – Invest	Real Estate	4.7%
Thien Long Group Corp	Retail	4.5%
MB Bank	Banks	4.5%
Total		**66.1%**

Top five portfolio companies

FPT Corp (FPT)

As at 30 Jun 2019

Vietnam Holding's investment

Date of first investment	8 January 2007
Ownership	1.1%
Percentage of NAV	10.4%
Internal rate of return (annualized)	17.6%

Share information

Stock Exchange	HOSE
Date of listing	13 December 2006
Market capitalization (USD million)	1,325
Free float	82%
Foreign ownership	49%

Financial indicators	2018	2017
Capital (USD million)	264.0	497.7
Revenues (USD million)	998.6	1,858.0
Revenue growth	-45.6%	8%
EBIT (USD million)	134.3	137.9
NPAT (USD million)	139.1	127.7
EPS (VND)	3,903	4,299
EPS growth	-12.4%	47%
Gross margin	37.6%	23%
EBIT margin	13.4%	4%
ROE	23.1%	26%
D/E	0.47	0.4

About the Company

FPT, founded in 1988, operates as a software developer, provider of IT and telecom services (including broadband internet), and distributor/retailer of IT and communication products. The company has held the leading position in the local IT industry since 1996. Quality human resources, sustained by its 100% owned subsidiary, FPT University, is one of FPT's competitive advantages. The company employs the largest engineer workforce in Vietnam, with 27,843 employees, +16.7% increase over last year; including 16,323 engineers and technology experts. FPT offers outsourcing services to more than 650 global customers and partners, including 100 in the Fortune 500. Additionally, the company owns a comprehensive telecom infrastructure with a main North-South link, that has recently been upgraded from copper wires to fiber-optic cables. The private telecom network has enabled FPT to expand its telecom services to all 64 provinces of Vietnam. FPT aims to become an internationally recognized full IT services provider. With that goal in mind, it has been focusing on expanding its overseas markets.

Recent Developments

FPT delivered strong business results in 2018 after spinning out its retail business into separately listed FRT. Revenue and profit before tax increase significantly by 17.4% and 30.6% YoY, respectively, in a like-for-like comparison. One of the key contributions was the software outsourcing segment, with revenue and profit before tax growing at a rate of 35.3% and 27.4% respectively. In 2018, revenue from its overseas markets grew 26.5% YoY and profit before tax increased by 23.6% YoY. The overseas revenue contributed 39.2% of the company's total revenue, from 16.4% in 2017. Net margins also significantly improved to 11.3% in 2018, from 6.9% in 2017, as a result of spinning-off the retail and distribution segment, and focusing more on the core technology business.

Sustainability Strategy

FPT's sustainability strategy is guided by technological innovations with commitments to the highest level of customer satisfaction and the country's prosperity as a whole. Its sustainable development model consists of three pillars, which are (i) Profit, achieved by competitive enhancements, (ii) People, driven by developments of human resources and community activities, and (iii) Planet, via environmental protection.

ESG Achievements

Together with business development and corporate governance, FPT has made significant contributions to the development of society through an education support program, with a focus on youth development. In 2018, FPT and its employees altogether contributed VND 33 billion to community activities, with VND 29.2 bn contributed by the company and VND 3.8 bn contributed by the employees.

The expenditure was divided between two purposes: education and young people's development programs, and charitable programs to support families living in poor conditions and disaster victims.

ESG Challenges

FPT has continued to improve the effectiveness of its corporate governance to ensure operations transparency and efficiency. Effective Balanced Scorecard (BSC) and management training has been successfully offered and applied in all business units at FPT.

Phu Nhuan Jewelry (PNJ)

As at 30 Jun 2019

Vietnam Holding's investment

Date of first investment	8 Dec 2009
Ownership	1.9%
Percentage of NAV	9.6%
Internal rate of return (annualized)	32.8%

Share information

Stock Exchange	HOSE
Date of listing	23 March 2009
Market capitalization (USD million)	698
Free float	68.5%
Foreign ownership	49%

Financial indicators	2018	2017
Equity capital (USD million)	71.8	128.5
Revenues (USD million)	626.9	478.1
Revenue growth (in VND)	32.7%	28%
EBIT (USD million)	54.3	41.3
NPAT (USD million)	41.3	31.6
EPS (VND)	6,481	4,185
EPS growth	0.7%	57%
Gross margin	19.1%	17%
EBIT margin	8.7%	9%
ROE	28.3%	33.0%
D/E	0.42	0.3

About the Company

PNJ is the leading manufacturer and retailer of jewelry products in Vietnam. An experienced team comprised of jewelry designers and over 1,000 skilled goldsmiths has remained one of the company's strongest assets. PNJ is the only jewelry house in Vietnam with a production capacity of 4 million units per annum. The company has 29 years of industry experience, with a professionally managed and well-respected brand image. PNJ was backed by several private equity funds prior to its listing.

PNJ offers a product range from mid end to luxury jewelry to serve different client segments across its nationwide network of 324 retail stores nationwide (2017: 269 and 2016: 219) including 258 gold class, 63 silver class, and 3 premium class stores, along with over 3,000 wholesalers. Its closest competitor operates around one-fourth of PNJ's store network. The company currently enjoys a market share of 30% (2018: around 28%) of branded jewelry.

PNJ aims to become one of the top players in the Asian jewelry industry after exiting (and fully providing for) all non-core investments in 2016. The company has cooperated with consultants from Italy (Value Partners) and international jewelers in the U.S. (Zales and Tiffany) to enhance its jewelry designs, craftsmanship, manufacturing capability, and retail systems.

Recent Developments

PNJ's 2018 performance was impressive with its profit after tax (PAT) increasing 32.4% YoY on reported basis. The growth was mostly due to increasing revenue contribution of high-margin retailing segment, in particularly gemstone jewelry; on the back of 20% same-store-sale-growth.

PNJ has changed the product mix to increase its profitability. The strategy is to focus on higher gross margin gold jewelry segment (22%), while lowering its low gross margin gold bar trading segment (less than 2%). Thus, sales from jewelry segment has replaced that of gold bar trading to become the key contribution to revenue structure. Accordingly, gold bar trading now constituted less than 18% of sales, a sharp reduction from around 40% during the 2011 and 2015 period. Additionally, an ERP system (SAP) was implemented to optimize inventory levels and production processes. There were a few teething troubles with the ERP system in April and May 2019, leading to stock-outs which impacted the Q2 2019 financial results. These appear to have been resolved now.

Sustainability Strategy

PNJ's Sustainable Development strategy was established based on the 17 Sustainable Development Goals of the United Nations. The strategy is founded upon five pillars, which are (i) economic growth via full concentration on core jewelry business, (ii) social development by providing proper annual training to employees, (iii) environmental protection through processing of toxic waste in an environmental-friendly manner and promotion of energy efficient focused practices, (iv) labor force development by creating a safe and unprejudiced working atmosphere to not only attract but also nurture talent, and (v) Community building via effective investments in community projects.

PNJ has been very open with its communication processes with stakeholders, and is responsive to our inquiries regarding economic, environmental, and social issues.

ESG Achievements

PNJ has firm policies to ensure that its precious stone purchases are from legitimate sources rather than conflict zones with questionable origins. The company has also reduced its raw material waste to below the industry standard of 1%.

Since 2012, PNJ has implemented several HR projects such as restructuring its organizational hierarchy, standardizing the hiring process, reforming the HR operating model, building a leadership competency framework and setting KPIs. These efforts have played a vital role in PNJ delivering its recent impressive business results

ESG Challenges

The company appears to have recovered from the negative press comments during 2018 when there was an investigation into Dong A Bank implicating the husband of the Chairwoman. There has been no financial impact on PNJ.

Saigon Cargo Service Corporation JSC (SCS)

As at 30 Jun 2019

Vietnam Holding's investment

Date of first investment	15 Sep 2017
Ownership	3.4%
Percentage of NAV	8.5%
Internal rate of return (annualized)	32.9%

Share information

Stock Exchange	HOSE
Date of listing	3 August 2018
Market capitalization (USD million)	345
Free float	99.1%
Foreign ownership	27.3%

Financial indicators	2018	2017
Capital (USD million)	24.6	39.8
Revenues (USD million)	29.1	25.6
Revenue growth	14.8%	18.6%
EBIT (USD million)	19.8	16.9
NPAT (USD million)	17.9	15.0
EPS (VND)	7,716	6,599
EPS growth	18.9%	31.6%
Gross margin	78.2%	77.0%
EBIT margin	68.3%	65.8%
ROE	48.0%	37.4%
D/E	–	0.01

About the Company

Since its establishment in 2008, Saigon Cargo Service Corporation (SCS) has strengthened its position to become the leading air cargo terminal operator at Ho Chi Minh City' s Tan Son Nhat airport. SCS offers a wide range of services from custom paperwork, security screening, packing, storing and consolidating airfreight.

During the year, the company listed on the HOSE and attracted more foreign investors into the stock (VNH was an early foreign investor).

As of June 2019, SCS has 30 airlines in its customer base (an increase of two airlines since the previous year) and handles approximately 36% of the total air cargo throughput volume at Tan Son Nhat airport.

Recent Developments

SCS posted good 2018 results with revenue and NPAT growth of 14.8% and 20.7%, respectively. In an attempt to enhance operating efficiency, SCS implemented on uplifting program in Q42018 and Q12019 to offer more value-added services for customers which helps to increase its price by 2-3% on average.

Sustainability Strategy

Operating in an industrial sector which requires significant energy input, SCS' s main sustainability development strategy focusses on applying different solutions to save and reuse energy efficiently, improving production and business processes and protecting the environment.

ESG Achievements

In order to reach the targets in energy saving and environment protection, SCS has applied: (i) information management to control and check cold store systems; (ii) inverter technology for air conditioner system to save more energy; (iii) BMS system for lighting system and ventilation plan, in reduce energy waste; and (iv) LED lighting system to reduce electricity consumption. In 2018, SCS 's total energy consumption showed improvements over previous years.

Regarding to the usage of input materials in 2018, SCS also achieved several positive results, including: (i) plastic bag consumption only grew by 4%, which is much lower than revenue growth, (ii) diesel consumption dropped by 23% YoY thanks to SCS operated forklift fleet efficiently and (iii) total volume of printing and copying paper grew by 9% YoY, which is lower than the cargo throughput volume growth of 10%.

ESG Challenges

Given its financial strength, and nationwide demand, SCS is now looking for M&A opportunities to expand to other airports in the North and the central regions of Vietnam. However, most M&A targets have weak corporate governance, lack of transparency and have cross share-holdings. Therefore, the issue of how to manage high inorganic growth and maintain a culture of good corporate governance is considered as a key challenge for SCS.

Mobile World JSC (MWG)

As at 30 Jun 2019

Vietnam Holding's investment	
Date of first investment	11 Sep 2017
Ownership	0.5%
Percentage of NAV	6.6%
Internal rate of return (annualized)	-10.7%

Share information	
Stock Exchange	HOSE
Date of listing	14 July 2014
Market capitalization (USD million)	1,764
Free float	87.2%
Foreign ownership	49%

Financial indicators	2018	2017
Capital (USD million)	190.8	139.4
Revenues (USD million)	3,721.9	2,918.0
Revenue growth	30.4%	48.7%
EBIT (USD million)	166.5	122.2
NPAT (USD million)	123.9	97.0
EPS (VND)	6,689	5,311
EPS growth	25.9%	1.2%
Gross margin	17.7%	16.8%
EBIT margin	4.5%	4.2%
ROE	38.7%	45.2%
D/E	0.78	1.15

About the Company

MWG was founded in 2004 with only one mobile phone store in Ho Chi Minh City, and grew rapidly on the back of expansion capital provided by private equity funds before listing in mid 2014. MWG currently owns 2,197 nation-wide stores under three brand names, including The Gioi Di Dong (mobile phone retail chain), Dien May Xanh (consumer electronics retail chain) and Bach Hoa Xanh (grocery retail chain) and has become the largest retailer in Vietnam with nearly USD 4 billion in revenue. By the end of 2018, MWG has a 45% share of the domestic mobile phone market, 35% market share in consumer electronics, and a vision to reach 10% market share in the USD 50 billion grocery sector by 2022.

Recent Developments

In 2018, MWG posted net revenue of USD 3.8 billion and net profit after tax and minority interest of USD 126 million, a growth of 30% YoY and 31% YoY, respectively. The Dien May Xanh chain continued to be the key growth pillar for MWG and accounted for 55% of the group revenue (up 57% YoY) and achieved a same-store-sales-growth (SSSG) of 11% in 2018. The second half of 2018 marked a turning point for MWG when it rolled out a new format for grocery retailing which can provide more fresh food SKUs per store than other formats. Its store selection discipline and experienced operating team have helped the company achieve EBITDA breakeven at the store level at the end of 2018.

Sustainability Strategy

The retail industry requires high customer satisfaction level, and the company has built a consumer-centric company culture, summarized in their slogan "Proactive-Smile-Greet-Thanks".

ESG Achievements

All MWG's stores are equipped with energy-saving LED light systems. Since 2013, all stores have installed optical sensors that feed into an automatic system that controls lights and air conditioners at predetermined times.

The company has developed an internal e-learning program to help the induction of thousands of employees into its grocery chain.

ESG Challenges

Grocery retail chains have to deal with the reality of high levels of food waste, which accounts for 2% to 3% of on-shelf goods. In 2019, MWG aims to reduce this ratio to 1%-1.5% by implementing an advanced automatic SKU management system.

Global retail chains are also dealing with the public's concern and attitude to single-use plastic packaging. With over 400 grocery stores, MWG is serving nearly half a million customers daily who are accustomed to using plastic bags. This remains an ongoing challenge for the company, and for the industry as a whole.

Khang Dien House (KDH)

As at 30 Jun 2019

Vietnam Holding's investment

Date of first investment	13 March 2015
Ownership	1.6%
Percentage of NAV	6.6%
Internal rate of return (annualized)	22.8%

Share information

Stock Exchange	HOSE
Date of listing	22 December 2009
Market capitalization (USD million)	564
Free float	73.3%
Foreign ownership	47.3%

Financial indicators	2018	2017
Capital (USD million)	178.1	147.8
Revenues (USD million)	125.5	134.4
Revenue growth	-4.5%	-22.3%
EBIT (USD million)	42.3	34.8
NPAT (USD million)	34.9	24.6
EPS (VND)	2,002	1,760
EPS growth	13.8%	-12.0%
Gross margin	42.5%	33.9%
EBIT margin	33.7%	25.9%
ROE	12.4%	10.6%
D/E	0.14	0.27

About the Company
KDH was formed in 2001 and converted into a developer of residential properties for emerging middle-income buyers, focusing on small ready-built villas and townhouses at a relatively affordable price. KDH attracted investment by several private equity funds between 2007 and 2009 and then listed on the Ho Chi Minh Stock Exchange (HSX) at the end of 2009.

KDH is currently one of the leading private property developers in Vietnam with a significant landbank of 400 hectares in the South West of Ho Chi Minh City where KDH intends to develop an urban 'city.' KDH has successfully developed 11 landed property projects with over 2,300 units sold in total. CBRE forecasts that the price of large scale landed projects will increase in HCMC's vicinities due to the lack of new supply in 2019.

As of 31 Dec 2018, KDH has 23 subsidiaries and employs a total of 292 people.

Recent Developments
In addition to 'landed' property, KDH has recently expanded its business to include the mid-end high-rise segment which has become one the most active segments in residential real estate in Vietnam.

During 2018 KDH recorded an impressive business performance with net profit growth of 61% YoY.

In 2018, the company was included in the 'Top 50 Best Vietnamese listed companies' for the 3rd consecutive year by Forbes; the 'Top 10 property developers' ranked by Vietnam Report; and as one of the listed companies with best Investor Relations activities by Vietstock.

Sustainability Strategy
KDH was an early adopter of sustainability and has regularly published sustainability reports since 2016. These reports cite the attention the company pays to the environmental and social factors when carrying out its project planning, designing, building, managing and operating properties.

KDH reviews and evaluates the key factors in respects of ESG relating to the company and the stakeholders. The consideration and assessment of those material issues are cited in the company's core values.

ESG Achievements
KDH actively applies solutions to save power and fuel. In 2018, for the high-rise buildings developed by KDH, the company used 50% unbaked bricks which are eco-friendly and well-insulated. The company plans to use 75% of unbaked bricks for high-rise projects in the future. In addition, exterior paints with high thermal insulation are used, and the project landscaping combines open spaces in high-rise buildings and planting trees at height to reduce heat absorption.

KDH appears to be well aware of its responsibility for occupational health and safety. The company updates and maintains occupational health and safety policies as well as monitoring its contractors' compliance. In project development, the company strictly adheres to the construction standards and the laws on occupational safety and fire protection throughout the development life cycle. In 2018, all the entities including member companies and project management units successfully ensured labor safety and fire protection. There were no labor accidents of fires during this year.

ESG Challenges
Historically the real estate sector is somewhat exposed to a lack of transparency in land clearance and approval activities. The other challenge is ensuring build-quality and safety and having the projects quality assured during the construction phase.

"integrated **ESG** investment process… focused active ownership approach to impel positive change."

Sustainability report

SUSTAINABILITY PRINCIPLES

Over the past 25 years, Vietnam has embarked on a remarkable development journey, as evidenced by an average 6.8% growth in Gross Domestic Product per annum during this period, the third highest in the world after China and India. Economic policy spurred rapid economic growth and development, initially through export-oriented manufacturing and then through growth in services and manufacturing to meet the growing domestic demand. The country is experiencing demographic and social changes, as well as a variety of environmental and social issues such as the widening of the wealth gap, the deterioration in air quality and concerns on climate change. Companies operating in Vietnam, as with the rest of the East-Asian and South- East Asian economies, are facing increasing challenges on several dimensions to maintain a good balance between economic growth and returns to Shareholders and sustainability and good business practices.

As a long-term and responsible investor, the Company remains committed to the application of sound sustainability criteria in its investing approach. Industrialization, urbanization and the growth of a more affluent demographic are the key drivers of investment opportunities for the Company, but within these themes we want to focus the investment efforts on those companies that also have the potential for long-term sustainable and compounding growth and that demonstrate a commitment to positive change within the communities in which they operate and serve. By investing in the growth of living standards, more inclusive economic participation and higher value-added products we can capitalize on the positive developments of our portfolio companies.

As a signatory of the UN's Principles for Responsible Investment (PRI), we avoid investments involving products and services with known negative effects. The Fund's exclusion criteria cover businesses dealing in tobacco, firearms, distilled alcohol and gambling, among others. In addition, each short-listed investment is thoroughly screened for controversial business practices in an intensive due diligence process. Companies engaged in pollution, child labour bribery or other damaging business practices are excluded from our investment criteria.

ESG INTEGRATION

As part of the investment process, the team identifies key environmental, social and governance (ESG) issues through tailored industry evaluation methods and direct requests for information from target companies. By identifying these factors and evaluating them as part of an integrated process we aim to better manage risk and generate sustainable, long-term returns. The ESG integrated investment process is based on four steps, which are initial screening, due diligence, investment decision and monitoring, complemented by an ESG matrix which is constructed for each individual portfolio company. Additionally, ESG activities and progress are updated during engagement meetings with senior managers and boards, and through careful reviews of company publications and relevant news and market developments. Through our focused and directed active ownership approach to portfolio companies we seek to impel positive change.

KEY SUSTAINABILITY ISSUES

As a developing market the availability of relevant and reliable ESG information remains one of the biggest challenges for ESG integration. Vietnam has adopted and accepted some international ESG practices and since 2016 all listed companies have been required to release a sustainability report alongside its annual report. Nevertheless, the information in the sustainability report of many companies, especially small and medium enterprises is often of poor quality and it is difficult for investors interested in Vietnam to gather ESG information by conducting pure desk-based research alone. The Investment Manager is able to tackle this problem as it has an experienced research team on the ground in Vietnam (through its 100% owned subsidiary) and has developed a Company Engagement Program to approach key members of the management and boards of portfolio companies to enhance disclosure and transparency. In many cases, following the recommendation from the Company engagement meetings, portfolio companies have shown an increased awareness for ESG issues and have reaffirmed their intent to apply best practices into their businesses.

Due to the country's socialist political regime, the "S" part of ESG issues is usually not a concern at local companies. The "E" part is attracting greater attention, due in part to the rising awareness of climate change, and the recent positive developments in the encouragement of renewable energy (see below). The "G" part is an area where the Investment Manager has considerable expertise, and Vu Quang Thinh who has been very involved with the establishment of the Vietnam Institute of Directors (VIOD), meets regularly with our portfolio companies and encourages them to improve this dimension (discussing issues including investor relations, board composition and segregation of duties between Chairman and CEO). Furthermore, the State Securities Commission of Vietnam (SSC) published in August 2019 the first edition of a new Corporate Governance Code of Best Practices for public companies in Vietnam with technical support from IFC. VIOD and its founding members made contributions to the final draft and Dynam Capital will use the Code to promote and benchmark the best practices on corporate governance in Vietnam. This code has been developed to provide a collection of recommendations on best practices, and to advocate standards that go beyond the minimum requirements in legislation and regulations.

EXAMPLES OF IMPACT INVESTING OPPORTUNITIES: CLEAN ELECTRICITY AND CLEAN WATER

As mentioned above, Vietnam has recently shown greater commitment to encourage the development of investment in renewable energy as a source of clean energy to diversify the country's energy mix and help close the looming gap between demand and supply in energy.

By 2021 it is estimated that Vietnam's demand for electricity will exceed its supply by 6.6 billion kilowatt hours (kWh), increasing to 15 billion kWh by 2023, equivalent to about 5% of the forecasted demand for electricity, leading to power shortages as demand outpaces the construction of new power plants[3]. If not addressed by the government, the lack of adequate energy infrastructure could potentially impact the strong foreign direct investment flows, increase inflation pressure, and disrupt businesses. The government is putting pressure on

3 Khanh Vu, Reuters, 31st July 2019

delayed energy projects and is also likely to accelerate the improvement in transmission and grid stability. Vietnam will need significant investment in generation capacity – around USD 6-7 billion per annum at current rates – which assuming projects are financed 80% by debt and 20% by equity provides a need (and an opportunity) for over USD 1 billion a year in equity financing to the sector. As most of the projects do not have government guarantees, much of the debt financing for this will have to come from domestic banks and multilateral agencies and ODA sources. The World Bank says that since 2010 about USD 80 billion has been spent on the power sector, and a further USD 150 billion needs to be invested by 2030. 12 GW of additional generation capacity is needed to increase the supply from 48.6 GW to 60 GW by 2020; by 2030 around 130 GW will be needed.

On the supply side, around 40% of Vietnam's electricity has been provided by Hydropower – this can be impacted by seasonality, climate change and competing needs for the water resource (agriculture etc). Around 38% of the capacity is supplied by coal power – which is a relatively cheap base-load source of power, but with obvious environmental issues. Also, it is estimated that Vietnam will have to import 680 million tonnes of coal between now and 2030 to supplement its domestic coal, to provide the necessary feedstock. By 2025 it is expected that some new LNG powered plants will be complete and able to add to base-load supply, but as with coal, the LNG feedstock will need to be imported[4].

Thankfully, Vietnam has great potential to develop wind and solar power. During the year there was a rush to complete solar projects to take advantage of a preferential Feed-In-Tariff (FiT) rate of USD 9.35 cents per KWh designed to spur investment[5]. As a result of the FiT regime, there were 82 solar power plants, with a total capacity about of approximately 4.5 Gigawatts, connected to the grid and commissioned. Solar power now accounts for approximately 8.28% of the installed capacity of Vietnam's electricity system and is expected to increase significantly in the years to come, if the transmission network and grid stability is improved[6].

During the year the Company has started to invest in a leading renewable energy platform in Vietnam. This company has successfully developed 200 MW of utility solar across several farms, selling electricity at the preferential tariff to EVN, the state monopoly distributor of electricity. Solar is relatively simple in operation but requires significant expertise in project development and execution, particularly as this is a new sector for Vietnam. The company has proven it has the ability to develop renewable energy projects (wind and run-of-river hydropower in addition to the solar) and could emerge as the national champion in renewable energy in Vietnam. The only other foreign investors in the company are the IFC (part of the World Bank) and Armstrong Energy (a specialist renewable energy private equity fund manager based in Singapore). This is a good example of an investment that has direct positive ESG impacts, as well as good growth and return prospects for the Company.

The Company has also recently increased its exposure to the water supply and waste treatment industry in Vietnam through an investment in a leading company utilizing state-of-the-art technology to complement its long experiences in water supply. The company intends to expand to several areas in Vietnam to meet the increasing demand for water supply and waste treatment, especially from industrial clients. Although this is traditionally seen as a defensive 'utility' industry, the pac e of industrialization in Vietnam has made this a sustainable growth sector, with a strong impact potential.

SHAREHOLDER VOTING

During the financial year, the Company voted at the Annual General Meetings (AGM) of every portfolio company in which it held an equity position at the time of the AGM.

The Investment Manager attended 16 AGMs on behalf of the Company and considered more than 200 individual agenda items. The Investment Manager considered each issue on the basis of its merit related to the strategic objectives of the investee company and its longer-term profitability. As part of its usual practice, the Investment Manager discusses the agenda items with each of the investee companies' Board of Directors regarding the most significant issues. In most cases during the last year, VNH voted for the agenda items proposed by the companies' Boards of Directors. VNH abstained from voting in two cases: (i) where there was a proposal for a short lock-up period of ESOP shares and (ii) where a merger was planned with a company that had unclear corporate governance.

UN PRI

The Company's investment policy is aligned with the United Nations Principles on Responsible Investing (UNPRI) and the Company is a UNPRI signatory. Each year the Company reports on its responsible investment activities through the PRI Transparency Report.

The results of the 2019 report highlighted the Company's commitment to its responsible investing strategy and governance. The Company was assessed as having clear investment principles setting the direction for investment policy. The Company has a codified investment strategy in relation to the investment decision-making process, asset allocation, ESG incorporation, active ownership, manager selection, and monitoring criteria through an investment policy. The Company also acts as an 'active owner' in screening and integrating ESG issues into the investment decision making. With its Company Engagement Program, the Company is deemed as being highly qualified in its engagement approach in both individual and collaborative engagement. The Report also highlighted some areas for further improvement related to enhanced communication of the ESG screening and integration strategy to the public, and expanding on the aspects of investment analysis that the Company integrates material ESG information into. The Company intends to address these points in part through an enhanced web- site to be launched in the future, and through its regular communications with Shareholders carried out by the investment manager.

4 Khanh Vu, Reuters, 31st July 2019
5 Decree 11/2017/QD-TTg
6 Report No. 127/BC-DL, Electricity and Renewable Energy Authority, 31st July 2019

Principal risks and risk management

The board has carried out a robust assessment of the Company's emerging and principal risks and considers with the assistance of the Investment Manager the risks and uncertainties faced by the Company in the form of a risk matrix and heat map. The principal risks and the description of the mitigating actions taken by the board are summarised in the table below.

Key risk	Description	Mitigating action
Market Risk	Vietnam is an increasingly open trading nation, and the changes in terms of international trade, disruption to supply chains and impositions of tariffs could impact directly and indirectly the Vietnamese Economy and the companies in which the Company is invested. The Vietnamese economy can also be impacted by the global-macro economic conditions, and also geopolitical tensions. The Vietnamese capital markets are relatively young, and liquidity levels can change abruptly responding to changes in behaviour of domestic and international investors.Parts of the portfolio may be prone to enhanced liquidity and price risk.	The Board is regularly briefed on political and economic developments by the Investment Manager. The Investment Manager publishes a monthly report on the Company which includes information and commentary on the macroeconomic developments in Vietnam. The inherent liquidity levels in the portfolio have been considered explicitly in the viability of the Company and the Board is reasonably satisfied that even in periods of distress and low liquidity there would be an adequate level of assets that could be realised to meet the liabilities of the Company as they fall due.
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 Net Asset Value per share.	The Investment Manager keeps shareholders and other potential investors regularly informed on Vietnam in general and the Company's portfolio in particular. At each Board meeting the Board receives reports from the Investment Manager, from finnCap, its broker, and is updated on the composition of the shareholder register. In 2019 the Company migrated its domicile from Cayman Islands to Guernsey and move its trading from AIM to a premium listing on the Main Market of the LSE in order to make the shares attractive to a wider audience of potential investors. In seeking to narrow the discount, the Board has also implemented an on-going share buy-back programme.
Investment Performance	The performance of the Company's investment portfolio could be poor, either absolutely or in relation to the Company's peers, or to the market as a whole.	The Board receives regular reports on the performance of the portfolio and its underlying assets. The Investment Manager reports to the Board at each Board meeting, and the Board visits Vietnam annually.

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

Director profiles and disclosure of directorships

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.

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.

Damien Pierron

Mr Pierron is currently managing director at Société Generale in Dubai, where he is heading the coverage for Family Offices and Wealthy Families in Middle East and Russia. He has fifteen years' experience in M&A, private equity, equity derivatives, wealth management and investment banking gained at, among others, Lafarge Holcim, OC&C Strategy Consultants and Natixis. Mr Pierron is a CFA charterholder and holds a Degree in Mathematics, Physics and Economy from Ecole Polytechique in Paris and a Masters Degree in Quantitative Innovation from Ecole Nationale Superieure des Mines de Paris. He is a Dubai resident.

Saiko Tajima

Ms. Saiko Tajima has over 20 years' experience in finance, of which 8 years have been spent in Asian real estate asset management and structured finance. Working for Aozora Bank and group companies of Lehman Brothers and Capmark, she focused on financial analysis, monitoring and reporting to lenders, borrowers, auditors, regulators and rating agencies. Over the last 5 years, she has invested in and helped develop tech start-ups in Tokyo, Seoul and Sydney.

DISCLOSURE OF DIRECTORSHIPS IN PUBLIC COMPANIES LISTED ON RECOGNISED STOCK EXCHANGES

Name	Company Name	Stock Exchange
Sean Hurst	JPEL Private Equity Ltd	London
Hiroshi Funaki	Origo Partners plc	London
Philip Scales	Origo Partners plc Tau Capital plc First World Hybrid Real Estate plc Spitfire International Property Recovery Fund Spitfire British Property Recovery Fund	London London Channel Islands Bermuda Bermuda

Corporate governance report

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

The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council and the Guernsey Financial Services Commission provides more relevant information to Shareholders.

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

Except as disclosed within this report, the Board is of the view that since adopting the AIC Code on 8 March 2019 (in succession to the QCA Code) and until the year ended 30 June 2019 the Company complied with the recommendations of the AIC Code and the relevant provisions of the AIC Code. Key issues affecting the Company's corporate governance responsibilities, how they are addressed by the Board and application of the AIC Code are presented below.

The AIC Code includes a provision relating to the appointment of a Senior Independent Director which is not considered by the Board to be necessary, given the Company is an externally managed investment company with a Board formed entirely of independent non-executive Directors. Liaison with Shareholders is dealt with mainly by the Chairman of the Company and the Chairman of the Management Engagement Committee working closely with the Company's Advisors. The Company has therefore not reported further in respect of this provision.

GOVERNANCE FRAMEWORK

Board independence and composition

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

Mr Funaki is a Director of Discover Investment Company which holds 2,730,133 ordinary shares in the Company representing 5.3% of the issued share capital. The Board are satisfied that this does not have any impact on Mr Funaki's independence as a Director of the Company.

As detailed in Note 8, Directors own shares in the Company as follows:

Sean Hurst	5,500
Hiroshi Funaki	15,000
Philip Scales	10,000
Saiko Tajima	5,000

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

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

The Board believes the current board members have the appropriate qualifications, experience and expertise to manage the Company. The Directors' biographies can be found on page 20.

BOARD MEETINGS AND ATTENDANCE

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

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

During the year 11 board meetings were held and the record of attendance at each board and committee meeting was as follows:

	Board	Audit and Risk	Remuneration and Nomination	Management Engagement
Sean Hurst	11 (11)	3 (3)	2 (2)	1 (1)
Hiroshi Funaki	11 (11)	3 (3)	2 (2)	1 (1)
Milton Lawson	5 (5)	1 (1)	1 (1)	
Damien Pierron	11 (11)	3 (3)	2 (2)	1 (1)
Philip Scales	11 (11)	3 (3)	2 (2)	1 (1)
Saiko Tajima	1 (1)	1 (1)	1 (1)	1 (1)

Milton Lawson resigned on 31 October 2018.
Saiko Tajima was appointed on 17 May 2019.

TENURE OF BOARD MEMBERS AND SUCCESSION PLANNING

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

RE-ELECTION OF DIRECTORS

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

Mr. Hurst, Mr Funaki, Mr Pierron and Mr Scales will all stand for re-election at the 2019 AGM.

Ms Tajima who was appointed to the Board on 17 May 2019 will stand for election at the 2019 AGM.

The individual performance of each Director standing for re-election or election has been evaluated by the other members of the Board and a recommendation will be made that Shareholders vote in favour of their re-election or election at the AGM in November 2019.

ADMINISTRATION

As part of the recent changes in the corporate structure, the Board appointed an additional administrator in Guernsey to provide corporate governance, secretarial, compliance and accounting services to the Company. Until June 2018, a number of these services were undertaken by the former Investment Manager.

CONFLICTS OF INTEREST

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

A register of conflicts is maintained by the Administrator and formally reviewed on a quarterly basis.

On appointment, each new Director is required to declare any potential conflicts of interest.

PERFORMANCE EVALUATION

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

The Remuneration and Nomination Committee will again consider whether for the next evaluation due in 2020, an external facilitator should be appointed to undertake the evaluations.

PROFESSIONAL DEVELOPMENT AND TRAINING

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

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

COMMITTEES OF THE BOARD

Three committees have been formed, an Audit and Risk Committee, a Remuneration and Nomination Committee, and a Management Engagement Committee. Since September/October 2017 the Company has been through a period of considerable change and all Board members are members of each committee. The Chairman of the Company does not Chair any of the Committees. Details of the Chairman of each committee, together with the number of meetings held during the year are shown on pages 22 to 23. A summary of the Terms of Reference of each committee is detailed below and a copy of the Terms of Reference are available on the Company's website wwww.vietnamholding.com.

Audit and Risk Committee

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

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

A report of the Audit and Risk Committee is detailed on pages 25 to 26.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee is chaired by Mr Damien Pierron and all members of the Board are members of the Committee. The Committee meets at least once in each year and at such other times as may be considered necessary.

The principal duties of the Remuneration and Nomination Committee are to review the fees paid to the Non-Executive Directors, to consider the appointment of external remuneration consultants, to review the structure, size and composition of the Board, make recommendations to the Board for any changes and to consider succession planning.

The Committee also undertakes the evaluation of the appointment of any additional or replacement Directors and ensures they are provided with training and induction. The Committee arranges for an annual evaluation of all board and committee members.

During the year, the Committee undertook the process for proposing the appointment of a new Director, Saiko Tajima The appointment was made after a detailed review of a number of potential candidates and following consultation with advisers and a comprehensive due diligence process.

Management Engagement Committee

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

The Management Engagement Committee was formed in December 2018 prior to the Company trading on the main market of the London Stock Exchange on 8 March 2019 and will be undertaking a review of the Investment Manager and other service providers prior to the end of 2019.

A share buy-back sub-committee consisting of Hiroshi Funaki and Sean Hurst has been formed under the Management Engagement Committee and meets regularly to review and monitor the share buy-back programme.

SHAREHOLDER ENGAGEMENT

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

Copies of the annual and interim reports are sent to all Shareholders and can be downloaded from the website. Other Company information is also available on the website.

The Company holds an AGM in each year, which gives investors the opportunity to enter into dialogue with the Board and for the Board to receive feedback and take action as necessary. The Investment Manager also holds an annual conference in Ho Chi Minh City which current and prospective investors are invited to attend.

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

CORPORATE POLICIES

Anti-bribery and corruption policy

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

Criminal facilitation of tax evasion policy

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

General data protection regulation

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

THE COMPANY

Global Greenhouse Gas Emissions

The Company has no significant greenhouse gas emissions to report from its operations for the year to 30 June 2019, nor does it have responsibility for any other emission producing sources. The Company is very conscious of its own carbon footprint in carrying out its business activities. The main source of this for the Company is in the international and domestic air travel of the Board of Directors and members of the Investment Manager in conducting the business of the Fund and meeting with Shareholders. For the year to 30 June 2019, the Board travelled to London, Guernsey, Spain and VietNam in conducting the business of the Company. The estimated carbon footprint of travel activities (that have not already been offset at source) amounts to approximately 90.7 tonnes of CO_2.

Gender Metrics

The Board of the Company recognises the governance mechanism to ensure there is diversity amongst the Directors and as such a female has been appointment to the Board with this financial year. The Board notes that 50% of the team members employed by the Investment Manager and its subsidiary in Vietnam are female.

Audit and Risk Committee report

The main items that the Audit and Risk Committee (the "Committee") has reviewed during the year ended 30 June 2019 are:
- reviewing the content of the Interim Report and the Annual Report;
- reviewing the independence and effectiveness of the External Auditor;
- considering and reviewing the internal control and risk management systems and the work of the service providers; and
- reviewing the control framework with the assistance of the Investment Manager and Administrator.

INTERNAL CONTROL

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

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

MEMBERSHIP & ATTENDANCE

The Committee membership currently consists of all board members under the Chairmanship of Philip Scales. The Terms of Reference allow appointments to the Committee for a period of up to 3 years and this may be extended for two further 3- year periods provided that the director remains independent.

The Committee holds at least three meetings a year which are to review the Annual and Half-Year Reports of the Company and also for audit planning purposes and review of risks relevant to the Company. Details of the number of committee meetings held during the year ended 30 June 2019 and the number of those attended by each committee member are shown on page 22.

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

PRINCIPAL DUTIES

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

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

VALUATION OF INVESTMENTS

The fair value of the Company's investments at 30 June 2019 was USD 130.6 million which represented 93.1% of the Company's assets (30 June 2018: USD 200.0 million and 98.1% respectively).

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

The Audit Committee reviewed the portfolio valuation as at 30 June 2019 and obtained confirmation from the Investment Manager that the Company's policies on the valuation of investments had been followed. The Committee also made enquiries of the Sub-Administrator and Custodian, both of whom are independent of the Company, to check procedures are in place to ensure the portfolio is valued correctly.

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

At 30 June 2019, the Company did not hold any unlisted or private equity investments.

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

PERFORMANCE FEE

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

The Committee reviews the calculation of any fee prior to payment, however no performance fee is payable for the year ended 30 June 2019.

EXTERNAL AUDIT

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

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

RISK MANAGEMENT

An outline of the risk management framework and principal risks is detailed on pages 18 to 19. The Committee will keep under review financial and operational risk including reviewing and obtaining assurances from key service providers for the controls for which they are responsible.

ANTI-BRIBERY & CORRUPTION

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

ANNUAL REPORT

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

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

Philip Scales
Audit Committee Chairman
8 October 2019

Directors' remuneration policy and report

REMUNERATION POLICY

The directors are entitled to receive fees for their services which reflect their experience and the time commitment required. At the Annual General Meeting to be held in November 2019 an ordinary resolution seeking approval for the Directors' remuneration report will be put to Shareholders.

DIRECTORS' REMUNERATION

Directors' fees are paid within limits established in the Articles of Incorporation which shall not exceed an aggregate of USD 350,000 in any financial year (or such sum as the Company shall from time to time determine). The directors may also be paid reasonable travelling, hotel and other out-of-pocket expenses properly incurred in attending Board, Committee Meetings or general meetings. The Remuneration Committee reviews the directors' fees periodically although the review will not necessarily result in any increase. For the year ended 30 June 2019 annual directors' fees remained at USD 50,000 with the Chairman of the Company receiving an additional USD 10,000 per annum and the Chairman of the Audit and Risk Committee an additional USD 5,000 per annum.

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

Director	Role	Remuneration USD	Additional ad hoc fees as agreed by Board USD	Total fees to 30 June 2019 USD
Sean Hurst	Non-executive Chairman; Audit Committee member	59,951	19,764	79,715
Philip Scales	Non-executive director; Audit and Risk Committee Chairman	55,000	12,721	67,721
Hiroshi Funaki	Non-executive director; Management Engagement Committee Chairman	48,145	27,915	76,060
Damien Pierron	Non-executive director; Remuneration and Nomination Committee Chairman	50,000	1,500	51,500
Saiko Tajima	Non-executive director;	6,044	1,500	7,544
Milton Lawson (resigned 31 October 2018)	Non-executive director;	25,000	–	25,000

Directors' report

The Directors present the Annual Report and Financial Statements of the Company for the year ended 30 June 2019 and consider, taken as a whole, are fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

GOING CONCERN

The Board considered it appropriate to prepare the Financial Statements on the going concern basis, as explained in the basis of preparation paragraph in Note 2 to the Financial Statements. In making this statement, the Board has considered the levels of working capital available to the Company, the closed-ended nature of the Company and the liquidity of the investment portfolio for a period of no less than 12 months from the date of this report. There were no identified material uncertainties to the company's ability to continue.

VIABILITY STATEMENT

The Board has considered the viability period for the Company, using the criteria set out in the UK Corporate Governance Code. The Board also assessed the potential financial and operational impacts, in severe but plausible scenarios, including the current financial and operational position of the Company and its principal risks as detailed in the Directors' report on pages 18 to 19 and in the Investment Manager's report on pages 6 to 8. The investment strategy provides long term direction and is reviewed on, at least, an annual basis. The strategy is further tested in a series of robust downside financial scenarios as part of the annual review. Based on these assessments, the Board has determined that a four-year period to 30 June 2023 is an appropriate period over which to provide its viability statement.

The Board has determined that it has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of four years. The Board's review considered the Company's cashflows and income flows, with reference to operational, business, market, currency, liquidity, interest rate and credit risk associated in financial instruments as set out in note 3 (Financial instruments and associated risks) and note 4 (Operating segments) of financial statements on pages 42 to 44. As a result of this analysis, the Board and the Investment Manager is of the reasonable view that the Company holds sufficient financial assets and capital to mitigate the impact of these risks. The Company is a closed-end investment fund whose portfolio is invested in readily realizable listed securities with diversified sectors, industries, and with some short-term cash to meet a minimum of working capital. The following facts support the Directors' view of the viability of the Company:

- In the year under review, total operating expenses were covered by investment income. Included in the current operating expenses are some one-off expenses for moving to the London Stock Exchange's Premium List. In the following year, without these one-off expenses, the current investment income cover is 1.3 times on-going expenses.
- The Company has an investment portfolio comprising readily marketable securities. In November and December 2018 15% of the Company's assets were sold in the market during a period of relatively low liquidity and in a period where asset prices were on the whole declining and the realised value obtained was less than 5% below the initial value.
- As a closed-end investment fund, the Company does not face risk of redemption from investors, and as such is not required under normal circumstances to sell the underlying investments to generate liquidity.
- The Company has no debt, and maintains sufficient cash balances to meet its operating requirements.
- The current portfolio is medium risk based on assessments both individually and in combination of liquidity risk, credit risk, interest rate risk and currency risk. The Investment Manager and the Board review and evaluate the portfolio on a regular basis.

Given the high levels of cover set out above, the Board has a reasonable expectation that the Company can continue in operation and meet its liabilities over the period.

The Company's viability depends on the global economy and markets continuing to function. The Board also considers the possibility of a wide-ranging collapse in corporate earnings and/or the market value of listed securities.
To the latter point, it should be borne in mind that a significant proportion of the Company's expenses are in ad valorem investment management fees, which would reduce if the market value of the Company's assets were to fall. In addition, the Board notes that the use of the Share Buy-back programme is at the discretion of the Board of directors.

In order to maintain viability, the Company has a robust risk control process as set out in the Directors' report on pages 28 to 29 and in the control framework, has the objectives of reducing the likelihood and impact of: poor judgement in decision-making; risk-taking that exceeds the levels agreed by the Board; human error; or control processes being deliberately avoided.

In this context, the Board considers that the prospects for economic activity will remain such that the investment objective, policy and strategy of the Company will be viable for the foreseeable future through a period of at least four years from the year ended, 30 June 2019.

KEY PERFORMANCE INDICATORS (KPIS)

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

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

SHARE CAPITAL AND SHARE BUY-BACKS

An active discount control mechanism to address the imbalance between the supply of and demand for Ordinary Shares using share buy backs is employed by the Broker and monitored by the Board. At the Annual General Meeting ("AGM") of the Company held on 31 October 2018, the Company was granted the general authority to purchase in the market up to 9,616,701 Ordinary Shares. This authority will expire at the AGM to be held in November 2019.

In the year ended 30 June 2019 4,993,561 Ordinary Shares had been bought back and cancelled under the Company's share buyback programme. A further 9,711,664 Ordinary Shares were bought back following the Company's tender offer in October 2018. Since the year-end and up to 1 October 2019, being the latest practicable date prior to publication of the report, the Company bought back and cancelled 256,885 Ordinary Shares.

SHARE BUY-BACKS TO THE YEAR-ENDED 30 JUNE 2019

	30 June 2019		30 June 2018	
	Number of Shares	**USD '000**	Number of Shares	USD '000
Opening balance at 1 July	**65,988,673**	**122,020**	73,301,667	141,822
Shares issued during the year	**–**	**–**	88,899	93
Shares repurchased during the year	**(4,993,561)**	**(11,915)**	(7,401,893)	(19,895)
Tender Offer	**(9,711,664)**	**(27,220)**	–	–
Closing balance at 30 June	**51,283,448**	**82,885**	65,988,673	122,020

SUBSTANTIAL SHARE INTERESTS

The following shareholders owned 5% or more of the shares in issue of the Company, as stated on the share register as at 30 June 2019.

Shareholder	Number of Ordinary shares	Percentage of total shares in issue
Citibank Nominees (Ireland) Designated Activity Company	14,757,456	28.78
Euroclear Nominees Limited	10,790,434	21.04
Lynchwood Nominees Limited	10,195,635	19.88
The Bank of New York (Nominees) Limited	7,183,728	14.01

NOTIFICATION OF SHAREHOLDINGS

In the year to 30 June 2019 the Company received notifications in accordance with Chapter 5 of the DTR (which covers the acquisition and disposal of major shareholdings and voting rights), of the following changes to voting rights by shareholders of the Company. It should be noted that for non-UK issuers, the thresholds prescribed under DTR 5.1.2 for notification of holdings commence at 5% of total voting rights, however notifications received below 5% have been received and are included in this reporting.

Shareholder	Number of total voting rights	Percentage of total voting rights as at announcement date	Announcement date
City of London Investment Management Company Limited	64,417,685	14	16 October 2018
Discover Investment Capital	53,502,623	5.1	24 January 2019
DeGlora SarL	53,186,680	23.22	14 March 2019
City of London Investment Management Company Limited	52,457,308	15	17 May 2019
LIM Asia Multi-Strategy Fund Inc.	52,599,790	2.43	20 May 2019
City of London Investment Management Company Limited	52,168,333	16.9	22 May 2019
City of London Investment Management Company Limited	52,168,333	17	24 May 2019

Since 30 June 2019 the Company received DTR 5.1.2 notifications of holdings as follows.

Shareholder	Number of total voting rights	Percentage of total voting rights
City of London Investment Management Company Limited	51,142,084	21.8
City of London Investment Management Company Limited	51,066,626	22.0

Statement of Directors' responsibilities in respect of the Annual Report and the Financial Statements

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

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

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

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

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

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

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

COMPLIANCE WITH DISCLOSURE AND TRANSPARENCY DIRECTIVE

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Directors' report includes a fair review of the development and performance of the business and the position of the issuer, together with a description of the principal risks and uncertainties that they face.

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

For and on behalf of the Board

Sean Hurst
Chairman
8 October 2019

Independent Auditor's report to the members of VietNam Holding Limited

OUR OPINION IS UNMODIFIED

We have audited the financial statements of VietNam Holding Limited (the "Company"), which comprise the Statement of Financial Position as at 30 June 2019, the Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements:

- give a true and fair view of the financial position of the Company as at 30 June 2019, and of the Company's financial performance and cash flows for the year then ended;
- are prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS"); and
- comply with the Companies (Guernsey) Law, 2008.

BASIS FOR OPINION

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

KEY AUDIT MATTERS: OUR ASSESSMENT OF THE RISKS OF MATERIAL MISSTATEMENT

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

Valuation of investments in securities at fair value

USD 130,636,802; (2018:USD 200,017,349)

Refer to pages 25 and 26 of the Audit Committee Report, note 2d accounting policy and disclosures notes 2b and 12.

The risk	Our response
Basis: As at 30 June 2019 the Company had invested the equivalent of 93.69% (2018: 99.03%) of its net assets in listed securities on the Vietnam stock exchange (the "Investments"). These Investments are valued by the Company based on quoted prices obtained from a third party pricing provider. ***Risk:*** The valuation of the Company's investments, given that it represents the majority of the Company's net assets, is a significant area of our audit.	*Our audit procedures included:* ***Internal Controls:*** We evaluated the design and implementation of the key control over the valuation of Investments. ***Use of KPMG Specialists:*** We used our own KPMG valuation specialist to independently price the Investments to a third party pricing source and also to evaluate the level of trading activity for the Investments. ***Assessing disclosures:*** We also considered the Company's disclosures (see note 2b) in relation to the use of estimates and judgements regarding the valuation of Investments and the Company's investment valuation policies adopted in note 2d and fair value disclosures in note 12 for compliance with IFRS.

OUR APPLICATION OF MATERIALITY AND AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Materiality for the financial statements as a whole was set at USD 1,390,000, determined with reference to a benchmark of Net Assets of USD 139,429,165, of which it represents 1%.

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding USD 69,500, in addition to other identified misstatements that warranted reporting on qualitative grounds.

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

WE HAVE NOTHING TO REPORT ON GOING CONCERN

We are required to report to you if we have anything material to add or draw attention to in relation to the directors' statement in note 2 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Company's use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in this respect.

WE HAVE NOTHING TO REPORT ON THE OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

DISCLOSURES OF PRINCIPAL RISKS AND LONGER-TERM VIABILITY

Based on the knowledge we acquired during our financial statements audit, we have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the Viability Statement (page 28) that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity;
- the Principal Risks disclosures describing these risks and explaining how they are being managed or mitigated;
- the directors' explanation in the Viability Statement (page 28) as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

CORPORATE GOVERNANCE DISCLOSURES

We are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors' statement that they consider that the Annual Report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy; or
- the section of the Annual Report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

We are required to report to you, from the date of adoption as at 8 March 2019 through to 30 June 2019, if the Corporate Governance Statement does not properly disclose a departure from the eleven provisions of the 2016 UK Corporate Governance Code specified by the Listing Rules for our review.

We have nothing to report to you in these respects.

WE HAVE NOTHING TO REPORT ON OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

RESPECTIVE RESPONSIBILITIES

Directors' responsibilities

As explained more fully in their statement set out on page 30, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

THE PURPOSE OF THIS REPORT AND RESTRICTIONS ON ITS USE BY PERSONS OTHER THAN THE COMPANY'S MEMBERS AS A BODY

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

Dermot Dempsey
For and on behalf of KPMG Channel Islands Limited
Chartered Accountants and Recognised Auditors
Guernsey
8 October 2019

Statement of financial position
As at 30 June 2019

	Notes	2019 USD	2018 USD
Assets			
Cash and cash equivalents		**9,467,257**	3,122,618
Investments at fair value through profit or loss	3	**130,636,802**	200,017,349
Accrued dividends		**178,750**	469,406
Receivables on sale of investments		**–**	101,485
Total assets		**140,282,809**	203,710,858
Equity			
Share capital		**82,884,733**	122,020,264
Retained earnings		**56,544,432**	79,964,849
Total equity, representing net assets attributable to Shareholders		**139,429,165**	201,985,113
Liabilities			
Payables on purchase of investments		**291,233**	403,069
Other payables		**–**	134
Accrued expenses		**403,772**	1,129,493
Payables on repurchase of shares		**158,639**	193,049
Total liabilities		**853,644**	1,725,745
Total equity and liabilities		**140,282,809**	203,710,858

The financial statements on pages 34 to 49 were approved by the Board of Directors on 8 October 2019 and were signed on its behalf by

Sean Hurst
Chairman of the Board of Directors

Philip Scales
Chairman of the Audit Committee

The accompanying notes on pages 38 to 49 form an integral part of these financial statements.

Statement of comprehensive income
For the year ended 30 June 2019

	Notes	2019 USD	2018 USD
Dividend income from equity securities at fair value through profit or loss		**4,631,861**	3,716,081
Net (loss)/gain from investments at fair value through profit or loss	7	**(23,363,804)**	13,419,988
Net foreign exchange loss		**(109,385)**	(105,071)
Interest income from investments at fair value through profit or loss		**–**	3,815
Net investment (loss)/income		**(18,841,328)**	17,034,813
Investment management fees	8	**2,441,387**	3,845,714
Advisory fees		**1,027,556**	488,565
Directors' fees and expenses	8	**278,402**	636,387
Custodian fees	9	**148,218**	195,123
Administrative and accounting fees	10	**121,741**	140,231
Audit fees		**120,145**	47,675
Incentive fees	8	**–**	–
Other expenses		**441,640**	429,674
Total operating expenses		**4,579,089**	5,783,369
(Loss)/Income for the year		**(23,420,417)**	11,251,444
Other comprehensive income		**–**	–
Total comprehensive (loss)/income for the year attributable to Shareholders		**(23,420,417)**	11,251,444
Basic and diluted earnings per share	14	**(0.41)**	0.16

The accompanying notes on pages 38 to 49 form an integral part of these financial statements.

Statement of changes in equity
For the year ended 30 June 2019

	Share capital USD	Reserve for own shares USD	Retained earnings USD	Total USD
Balance at 1 July 2017	166,551,875	(24,729,778)	68,713,405	210,535,502
Total comprehensive income for the year				
Total comprehensive income for the year attributable to Shareholders	–	–	11,251,444	11,251,444
Total comprehensive income	–	–	11,251,444	11,251,444
Contributions and distributions				
Issuance of ordinary shares	93,166	–	–	93,166
Repurchase of own shares	–	(19,894,999)	–	(19,894,999)
Total contributions and distributions	93,166	(19,894,999)	–	(19,801,833)
Balance at 30 June 2018	166,645,041	(44,624,777)	79,964,849	201,985,113
Balance at 1 July 2018	166,645,041	(44,624,777)	79,964,849	201,985,113
Total comprehensive loss for the year				
Total comprehensive loss for the year attributable to Shareholders	–	–	(23,420,417)	(23,420,417)
Total comprehensive loss for the year	–	–	(23,420,417)	(23,420,417)
Contributions and distributions				
Issuance of ordinary shares	–	–	–	–
Repurchase of own shares	–	(39,135,531)	–	(39,135,531)
Total contributions and distributions	–	(39,135,531)	–	(39,135,531)
Balance at 30 June 2019	**166,645,041**	**(83,760,308)**	**56,544,432**	**139,429,165**

The accompanying notes on pages 38 to 49 form an integral part of these financial statements.

Statement of cash flows
For the year ended 30 June 2019

	2019 USD	2018 USD
Cash flows from operating activities		
(Loss)/Income for the year	**(23,420,417)**	11,251,444
Adjustments to reconcile change in net assets attributable to Shareholders to net cash from operating activities:		
Dividend income	**(4,631,861)**	(3,716,081)
Interest income	**–**	(3,815)
Net loss/(gain) from investments at fair value through profit or loss	**23,363,804**	(13,419,988)
Purchase of investments	**(35,234,059)**	(130,485,216)
Proceeds from sale of investments	**81,138,966**	147,582,138
Net foreign exchange loss	**109,385**	105,071
Decrease/(increase) in receivables on sale of investments	**101,485**	(99,317)
Decrease in accrued expenses	**(725,721)**	(2,118,884)
Decrease in other payables	**(134)**	(5)
(Decrease)/increase in payable on redemption	**(34,410)**	193,049
Dividends received	**4,922,517**	3,402,257
Interest received	**–**	14,967
Net cash from operating activities	**45,589,555**	12,705,620
Cash flows from financing activities		
Repurchase of own shares	**(39,135,531)**	(19,894,999)
Warrants issuance cost	**–**	93,166
Net cash used in financing activities	**(39,135,531)**	(19,801,833)
Net increase/(decrease) in cash and cash equivalents	**6,454,024**	(7,096,213)
Cash and cash equivalents at beginning of the year	**3,122,618**	10,323,903
Effect of exchange rate fluctuations on cash held	**(109,385)**	(105,072)
Cash and cash equivalents at end of the year	**9,467,257**	3,122,618

The accompanying notes on pages 38 to 49 form an integral part of these financial statements.

Notes to the financial statements
For the year ended 30 June 2019

1 THE COMPANY

VietNam Holding Limited (the "Company" or the "Fund") is a closed-end investment company that was incorporated in the Cayman Islands on 20 April 2006 as an exempted company with limited liability with 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.

During 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 Management Limited ("Dynam") 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.

Carey Commercial Limited is the Company's administrator. Effective 7 October 2019, the Company's administrator will be Sanne Group (Guernsey) Limited.

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

Effective from 25 February 2019, the registered office of the Company is Elizabeth House Les Ruettes Brayes, St. Peter Port, Guernsey, GY1 1EW. Up until 24 February 2019, the registered office address was Collas Crill Corporate Services Limited, Floor 2, Willow House, Cricket Square, PO Box 709, George Town, Grand Cayman, Cayman Islands, KY1-1107.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

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

(b) Basis of preparation

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

Going concern

The Directors have reasonable expectations and are satisfied that the Company has adequate resources to continue its operations and meet its commitments for the foreseeable future and they continue to adopt the going concern basis for the preparation of the financial statements. In making this statement, the Board has considered the levels of working capital available to the Company, the close-ended nature of the Company and the liquidity of the investment portfolio for a period of no less than 12 months from the date of the financial statements. There were no identified material uncertainties to the Company's ability to continue.

Critical accounting estimates and judgements

The preparation of financial statements in accordance with IFRS as adopted by the European Union requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense. 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 estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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

Functional currency

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

Fair value of financial instruments

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

(c) Foreign currency translation

Transactions in foreign currencies other than the functional currency are translated at the applicable rate on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated to USD at the applicable rates on the year-end date. Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are included in the statement of comprehensive income. Foreign currency exchange differences relating to financial instruments at fair value through profit or loss are included in the realised and unrealised gains and losses on those investments. All other foreign currency exchange differences relating to other monetary items, including cash and cash equivalents, are included in net foreign exchange gains and losses in the statement of comprehensive income.

(d) Financial instruments

In the current year, the Company has adopted IFRS 9 Financial Instruments. The impact of its adoption is discussed in Note 15.

(i) Classification

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

Financial assets

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

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

Financial assets measured at amortised cost

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

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

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

(a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or
(b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
(c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The company includes all of its investments in this category.

2 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(ii) Recognition and initial measurement

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

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

(iii) Subsequent measurement

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

(iv) Derecognition

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

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

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

(v) Fair value measurement

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

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

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

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

Any increases or decreases in values are recognised in the statement of comprehensive income as an unrealised gain or loss.

(vi) Impairment of financial assets

Financial assets that are stated at cost or amortised cost are reviewed at each reporting date to determine whether there is objective evidence of impairment. If any such indication exists, an impairment loss is recognised in the statement of comprehensive income as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

If in a subsequent period the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the impairment is reversed through the statement of comprehensive income.

(vii) Cash and cash equivalents

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

(e) Offsetting

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

(f) Share capital

Ordinary shares

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

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

Where the Company purchases its own share capital, the consideration paid, which includes any directly attributable costs, is recognised as a deduction from equity shareholders' funds through the Company's reserves. When such shares are subsequently sold or re-issued to the market any consideration received, net of any directly attributable incremental transaction costs, is recognised as an increase in equity shareholders' funds through the share capital account.

(g) Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

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

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

The Company is liable to Vietnamese tax of 0.1% (2018: 0.1%) on the sales proceeds of the onshore sale of equity investments. The related taxes on onshore sales proceeds are accounted for at net amount in the financial statements.

(h) Interest income and expense

Interest income and expense is recognised in the statement of comprehensive income using the effective rate method.

(i) Dividend income

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

(j) Fee and commission expense

Fees and commission expenses are recognised in profit or loss as the related services are performed.

(k) Earnings per share

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all potentially dilutive ordinary shares, which comprise warrants granted to Shareholders.

3 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

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

The Company's investment activities expose it to various types of risk that are associated with the financial instruments and the markets in which it invests. The most important types of financial risk to which the Company is exposed are market risk (which includes price risk, currency risk, and interest rate risk), credit risk and liquidity risk.

Asset allocation is determined by the Company's Investment Manager who manages the distribution of the assets to achieve the investment objectives. Divergence from target asset allocations and the composition of the portfolio is monitored by the Investment Manager.

Market risk

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

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

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

	2019		2018	
	Fair value in USD	**% of net assets**	Fair value in USD	% of net assets
Investments in listed securities	**130,636,802**	**93.69**	200,017,349	99.03
	130,636,802	**93.69**	200,017,349	99.03

At 30 June 2019, a 5% reduction in the market value of the portfolio would have led to a reduction in NAV and profit or loss of USD 6,531,840 (2018: USD 10,000,867). A 5% increase in market value would have led to an equal and opposite effect on NAV and profit or loss.

Currency risk

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

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

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

As at 30 June 2019, the Company had the following foreign currency exposures:

	Fair value	
	2019 USD	2018 USD
Vietnamese Dong	**138,148,485**	201,848,361
Pound Sterling	**(155,043)**	12,747
Swiss Franc	**2,492**	5,728
Euro	**52,035**	35,844
	138,047,969	201,902,680

At 30 June 2019, a 5% reduction in the value of the Vietnamese Dong, Pound Sterling, Swiss Franc, Euro versus the US Dollar would have led to a reduction in NAV and profit or loss of USD 6,907,424 (2018: USD 10,092,418), (USD 7,752) (2018: USD 637), USD 125 (2018: USD 286) and USD 2,602 (2018: USD 1,792) respectively. A 5% increase in value would have led to an equal and opposite effect.

Interest rate risk

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

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

Credit risk

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

At 30 June 2019, the following financial assets were exposed to credit risk (including settlement risk): cash and cash equivalents, receivables on sale of investments and other receivables. The total amount of financial assets exposed to credit risk amounted to USD 9,646,007 (2018: USD 3,693,509).

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

As at 30 June 2019, the Company's custodian, Standard Chartered Bank, Singapore Branch, was rated as A by Standard and Poor's, A1 by Moody's and A by Fitch (2018: A by Standard and Poor's, A1 by Moody's and A+ by Fitch).

Financial assets subject to IFRS 9's impairment requirements

The Company's financial assets subject to the expected credit loss model within IFRS 9 are only short term receivables, including accrued dividends and receivables on sale of investments. At 30 June 2019, the total of short-term receivables was USD 178,750 (2018: 570,891), on which a loss allowance of USD nil had been provided (2018: USD nil). There is not considered to be any concentration of credit risk within these assets. No assets are considered impaired and no amounts have been written off in the year.

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

Liquidity risk

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

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

The Board has considered that there may be periods of time when parts of the portfolio are prone to higher liquidity risk, but is satisfied overall that the fixed liabilities of the Company can be met by income or from selling sufficient marketable securities even at periods of higher illiquidity. The Company was able to sell 15% of its assets in a 60 day period in 2018 despite relatively low levels of liquidity.

Payables on purchase of investments, other payables, accrued expenses and payables on redemption of the Company are generally payable within one year.

3 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS CONTINUED

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

	On demand USD	1 to 3 months USD	Over 3 months to 5 years USD	No fixed maturity USD	Total USD
2019					
Cash and cash equivalents	**9,467,257**	**–**	**–**	**–**	**9,467,257**
Investment at fair value through profit and loss	**–**	**–**	**–**	**130,636,802**	**130,636,802**
Accrued dividends	**–**	**178,750**	**–**	**–**	**178,750**
Total financial assets	**9,467,257**	**178,750**	**–**	**130,636,802**	**140,282,809**
Payables in purchase of investments	**–**	**291,233**	**–**	**–**	**291,233**
Accrued expenses	**–**	**403,772**	**–**	**–**	**403,772**
Payables on repurchase of shares	**–**	**158,639**	**–**	**–**	**158,639**
Total financial liabilities	**–**	**853,644**	**–**	**–**	**853,644**
2018					
Cash and cash equivalents	3,122,618	–	–	–	3,122,618
Investment at fair value through profit and loss	–	–	–	200,017,349	200,017,349
Accrued dividends	–	469,406	–	–	469,406
Receivables on sale of investments		101,485			101,485
Total financial assets	3,122,618	570,891	–	200,017,349	203,710,858
Payables in purchase of investments	–	403,069	–	–	403,069
Other payables	–	134	–	–	134
Accrued expenses	–	1,129,493	–	–	1,129,493
Payables on repurchase of shares	–	193,049	–	–	193,049
Total financial liabilities	–	1,725,745	–	–	1,725,745

4 OPERATING SEGMENTS

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

Information on gains and losses derived from investments are disclosed in the statement of comprehensive income.

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

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

- up to 25% of its 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.

As of 30 June 2019, no individual investment exceeded 20% of the net assets attributable to Shareholders (2018: none).

All of the Company's investments in securities at fair value are in Vietnam as at 30 June 2019 and 30 June 2018. All of the Company's investment income can be attributed to Vietnam for the years ended 30 June 2019 and 30 June 2018.

5 SHARE CAPITAL

Ordinary shares of USD 1 each

Pursuant to its redomiciliation to Guernsey, the Company re-registered with an authorised share capital of USD 200,000,000 divided into 200,000,000 shares of a nominal or par value of USD 1.00 each. In line with the Company's new Articles of Incorporation, the Company may from time to time 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.

	2019 No. of shares	2018 No. of shares
Total shares issued and fully paid (after repurchases and cancellations) at beginning of the year	**65,988,673**	82,729,439
Shares issued upon exercise of warrants during the year	**–**	–
Shares cancellation	**(14,705,225)**	(16,740,766)
	51,283,448	65,988,673
Repurchased and reserved for own shares		
At beginning of the year	**–**	(9,427,772)
During the year	**(14,705,225)**	(7,401,893)
Shares reissued to ordinary shares	**–**	88,899
Shares cancellation	**14,705,225**	16,740,766
Total outstanding ordinary shares with voting rights	**51,283,448**	65,988,673

As a result, as at 30 June 2019 the Company has 51,283,448 (2018: 65,988,673) ordinary shares with voting rights in issue (excluding the reserve for own shares), and Nil (2018: Nil) are held as reserve for own shares.

Reserve for own shares

Reserve for own shares are the Company's own shares which had been repurchased or redeemed. The amount represents share capital which will be reissued in the future or subsequently cancelled.

Capital Management

The Company does not have any externally imposed capital requirements.

The Company's general intention is to reinvest the capital received on the sale of investments. However, the Board may from time to time and at its discretion, either use the proceeds of sales of investments to meet the Company's expenses or distribute them to Shareholders. Alternatively, the Company may repurchase its own ordinary shares with such proceeds for 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.

6 NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

Total equity of USD 139,429,165 (2018: USD 201,985,113) represents net assets attributable to Shareholders.

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

	2019 USD	2018 USD
Realised (loss)/gain on disposal of investments	**(4,855,435)**	52,495,010
Realised foreign currency (loss)/gain	**(2,350,457)**	(3,037,248)
Unrealised loss on investments at fair value through profit or loss	**(16,224,771)**	(37,556,218)
Unrealised foreign currency gain/(loss)	**66,859**	1,518,444
	(23,363,804)	13,419,988

8 RELATED PARTY TRANSACTIONS

Investment management fees

The Company entered into a new investment management agreement with Dynam Capital Limited on 26 June 2018. The agreement was amended and restated on 8 October 2018. 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 and including USD 300 million, one-twelfth of 1.5%.;
- On the amount of the Net Asset Value of the Company above USD 300 million up to and including USD 600 million, one-twelfth of 1.25%.; and
- On the amount of the Net Asset Value of the Company that exceeds USD 600 million, one-twelfth of 1%.

The management fee accruing to the Investment Manager for the year to 30 June 2019 was USD 2,441,387 (2018: USD 3,845,714). An amount of USD 173,129 (2018: USD 158,082) was outstanding as at 30 June 2019.

Incentive fees

Under the Investment Management agreement dated 26 June 2018, the Company shall pay an incentive fee of 12% of the excess performance based on the adjusted net asset value per share in each financial year of the Company over an 8% compound hurdle, starting with the high water mark as of 30 June 2018 (or, if higher, the high water mark under the Company's previous Investment Management agreement with VietNam Holding Asset Management Ltd), capped at 3% of NAV in any financial year. The incentive fee is payable 50% in cash and 50% in shares issued at the higher of NAV or closing mid-market price at the financial year end. Half of those shares will be locked up for 12 months, and the remainder will be locked up for 24 months.

There are no incentive fees accruing to the Investment Manager for the year to 30 June 2019 (2018: USD nil).

Directors' fees and expenses

The Board determines the fees payable to each Director, subject to a maximum aggregate amount of USD 350,000 (2018: USD 350,000) per annum being paid to the Board as a whole. The Company also pays reasonable expenses incurred by the Directors in the conduct of the Company's business including travel and other expenses. The Company pays for directors and officers liability insurance coverage. The charges for the year for the Directors fees were USD 307,540 (2018: USD 514,832) and expenses were USD 95,862 (2018: USD 121,555). On September 2018, the Company has reached a settlement with the previous Board over bonus payments. The previous Board agreed and has repaid USD 125,000 (2018: USD nil) an amount in excess of the final bonus paid to the former chairperson at the time of the 2017 AGM.

As at 30 June 2019, USD 13,479 (2018: nil) of directors' fees were outstanding.

Directors' ownership of shares

As at 30 June 2019, Directors held 35,500 ordinary shares in the Company (2018: none) as listed below.

Hiroshi Funaki	15,000 Shares
Sean Hurst	5,500 Shares
Damien Pierron	nil Shares
Philip Scales	10,000 Shares
Saiko Tajima	5,000 Shares

Mr. Funaki is also a Director of Discover Investment Company which holds 2,730,133 ordinary shares in VNH representing 5.3% of the issued share capital.

9 CUSTODIAN FEES

Custodian fees are charged at a minimum of USD 12,000 (2018: USD 12,000) per annum and received as a fee at 0.08% on the assets under administration ("AUA") per annum. Custodian fees comprise safekeeping fees, transaction fees, money transfer fees and other fees. Safekeeping of unlisted securities up to 20 securities is charged at USD 12,000 (2018: USD 12,000) per annum. Transaction fees, money transfers fees and other fees are charged on a transaction basis.

The charges for the year for the Custodian fees were USD 148,218 (2018: USD 195,123), of which USD nil (2018: nil) were outstanding at year end.

10 ADMINISTRATIVE AND ACCOUNTING FEES

The administrator receives a fee of 0.07% per annum for AUA less than USD 100,000,000; or 0.06% per annum for AUA greater than USD 100,000,000 calculated on the basis of the net assets of the Company, subject to an annual minimum amount of USD 5,500 per month.

The charges for the year for the Administration and Accounting fees were USD 121,741 (2018: USD 140,231), of which USD 40,431 (2018: USD 28,198) were outstanding at year end.

11 CONTROLLING PARTY

The Directors are not aware of any ultimate controlling party as at 30 June 2019 or 30 June 2018.

12 FAIR VALUE INFORMATION

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

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

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

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

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

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
2019				
Financial assets classified at fair value upon initial recognition				
Investments in securities	**122,462,234**	**8,174,568**	**–**	**130,636,802**
2018				
Financial assets classified at fair value upon initial recognition				
Investments in securities	188,095,761	11,921,588	–	200,017,349

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.

13 CLASSIFICATIONS OF FINANCIAL ASSETS AND LIABILITIES
The table below provides a breakdown of the line items in the Company's statement of financial position to the categories of financial instruments.

	Fair value through profit or loss USD	Loans and receivables USD	Other liabilities USD	Total carrying amount USD
2019				
Cash and cash equivalents	**–**	**9,467,257**	**–**	**9,467,257**
Investment in securities at fair value	**130,636,802**	**–**	**–**	**130,636,802**
Accrued dividends	**–**	**178,750**	**–**	**178,750**
	130,636,802	**9,646,007**	**–**	**140,282,809**
Payables in purchase of investments	**–**	**–**	**291,233**	**291,233**
Accrued expenses	**–**	**–**	**403,772**	**403,772**
Payables on repurchase of shares	**–**	**–**	**158,639**	**158,639**
	–	**–**	**853,644**	**853,644**
2018				
Cash and cash equivalents	–	3,122,618	–	3,122,618
Investment in securities at fair value	200,017,349	–	–	200,017,349
Accrued dividends	–	469,406	–	469,406
Receivables on sale of investments	–	101,485	–	101,485
	200,017,349	3,693,509	–	203,710,858
Payables in purchase of investments	–	–	403,069	403,069
Payables on repurchase of shares	–	–	193,049	193,049
Other payables	–	–	134	134
Accrued expenses	–	–	1,129,493	1,129,493
	–	–	1,725,745	1,725,745

14 EARNINGS PER SHARE
The calculation of basic and diluted earnings per share at 30 June 2019 was based on the total comprehensive loss for the year attributable to Shareholders of USD 23,420,417 (2018: income of USD 11,251,444) and the weighted average number of shares outstanding of 57,184,613 (2018: 70,298,637).

15 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

(i) Standards and amendments to existing standards effective 1 July 2018

The Board of Directors has assessed the impact, or potential impact, of all new standards and amendments to existing standards. In the opinion of the Board of Directors, except for the adoption of IFRS 9 Financial Instruments, there are no mandatory new standards and amendments applicable in the current year that had any material effect on the reported performance, financial position, or disclosures of the Company.

IFRS 9 Financial Instruments

The Company adopted IFRS 9 Financial Instruments on 1 July 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement and introduces new requirements for classification and measurement, impairment and hedge accounting. IFRS 9 is not applicable to items that have already been derecognised at 1 July 2018, the date of initial application.

(a) Classification and measurement

The classification and measurement requirements of IFRS 9 have been adopted retrospectively as of the date of initial application on 1 July 2018.

The Company has assessed the classification of financial instruments as at the date of initial application and has applied such classification retrospectively. Based on that assessment:

- All financial assets previously held at fair value continue to be measured at fair value.
- Financial assets previously classified as loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. Thus, such instruments continue to be measured at amortised cost under IFRS 9.
- The classification of financial liabilities under IFRS 9 remains broadly the same as under IAS 39. The main impact on measurement from the classification of liabilities under IFRS 9 relates to the element of gains or losses for financial liabilities designated as at FVTPL attributable to changes in credit risk. IFRS 9 requires that such element be recognised in other comprehensive income (OCI), unless this treatment creates or enlarges an accounting mismatch in profit or loss, in which case, all gains and losses on that liability (including the effects of changes in credit risk) should be presented in profit or loss. The Company has not designated any financial liabilities at FVTPL. Therefore, this requirement has not had an impact on the Company.

In line with the characteristics of the Company's financial instruments as well as its approach to their management, the Company neither revoked nor made any new designations on the date of initial application. IFRS 9 has not resulted in changes in the carrying amount of the Company's financial instruments due to changes in measurement categories. All financial assets that were classified as FVTPL under IAS 39 are still classified as FVTPL under IFRS 9. All financial assets that were classified as loans and receivables and measured at amortised cost continue to be.

(b) Impairment

IFRS 9 requires the Company to record ECLs on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. Given the limited exposure of the Company to credit risk, this amendment has not had a material impact on the financial statements. The Company only holds trade receivables with no financing component and which have maturities of less than 12 months at amortised cost and therefore has adopted an approach similar to the simplified approach to ECLs.

(c) Hedge accounting

The Company has not applied hedge accounting under IAS 39 nor will it apply hedge accounting under IFRS 9.

IFRS 15 Revenue from contracts with customers

The Company adopted IFRS 15 Revenue from contracts with customers on its effective date of 1 July 2018. IFRS 15 replaces IAS 18 Revenue and establishes a five-step model to account for revenue arising from contracts with customers. In addition, guidance on interest and dividend income have been moved from IAS 18 to IFRS 9 without significant changes to the requirements. Therefore, there was no impact of adopting IFRS 15 for the Company.

(ii) Standards effective after 30 June 2019 that have been early adopted by the Company

There are no standards effective after 30 June 2019 that are relevant to the Company.

16 EVENTS AFTER THE REPORTING DATE

From 1 July 2019 to the date of signing these financial statements, there were no material events that require disclosures and/or adjustments in these financial statements, except as disclosed below.

Sanne Group (Guernsey) Limited has been appointed as the Company's administrator effective 7 October 2019.

At the end of July 2019 the Company purchased the Vietnam Dong equivalent of USD 6 Million in convertible bonds in A BA Trading Solutions JSC, a private company providing cold chain logistics in Vietnam.

From the period 1 July 2019 to 1 October 2019, the Company bought back and cancelled 256,885 ordinary shares.

Corporate information

DIRECTORS
Mr. Hiroshi Funaki
Mr. Sean Hurst
Mr. Damien Pierron
Mr. Philip Scales
Ms. Saiko Tajima
(appointed 17 May 2019)
Mr. Milton Lawson
(resigned 31 October 2018)

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(appointed 16 July 2018)

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(to 7 October 2019)

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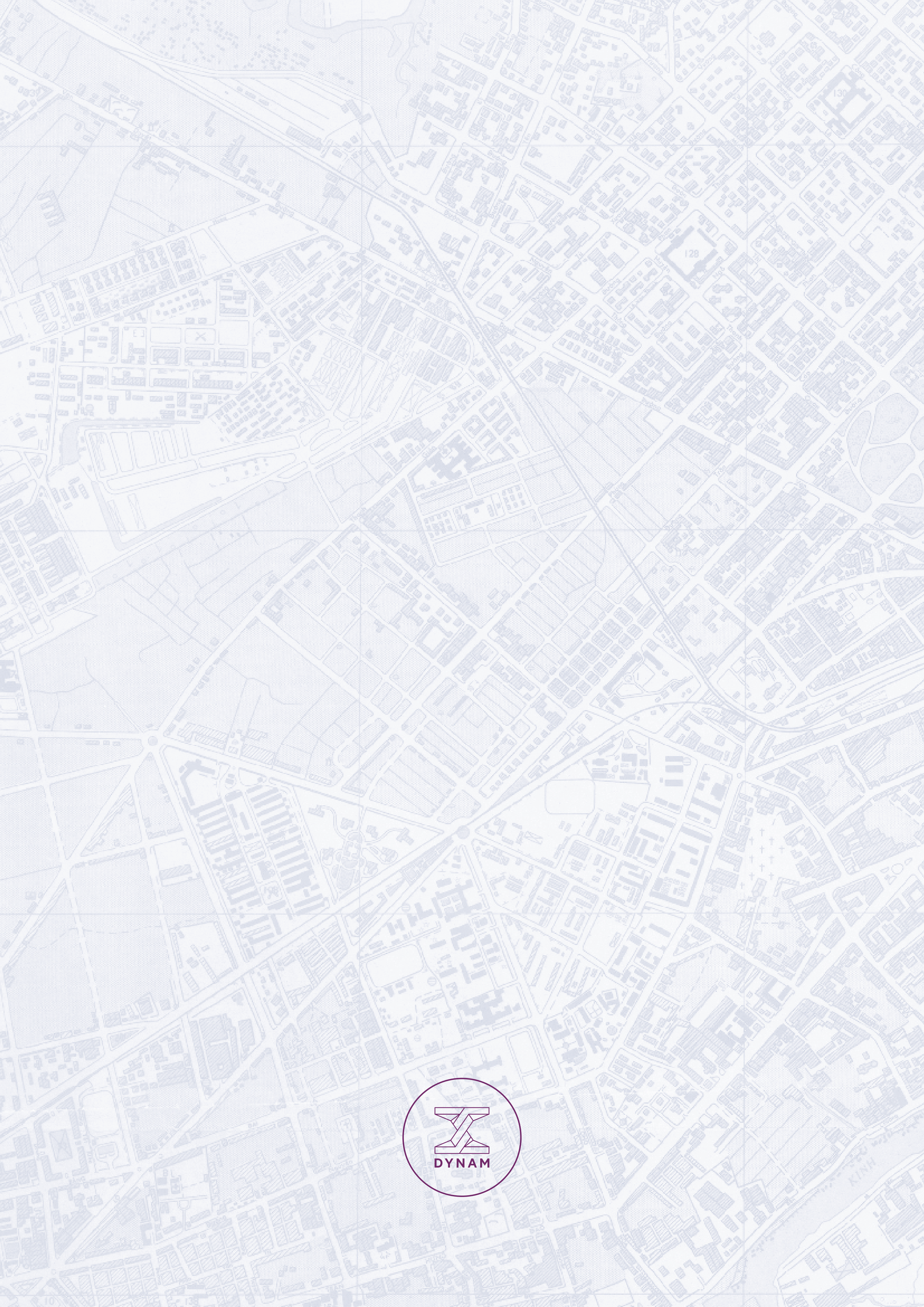

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