VIETNAM
HOLDING

Annual Report | 2020

Who We Are

VIETNAM
HOLDING

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.

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Highlights of the Year

Financial Highlights

- Net Asset Value ("NAV") declined during the period by USD 22.1 million to USD 117.3 million
- NAV per share (USD) declined by 17.6%
- Total Operating Expenses reduced by 26.2% to USD 3,380,260 from USD 4,579,089 in the corresponding 2019 period

Operational Highlights

- Fund is invested in 24 portfolio companies
- Top-ten positions account for 65% of the NAV
- 46% of the portfolio is in small-mid cap stocks
- A, A+, A rating by United Nations Principles for Responsible Investing

TOTAL NET ASSETS (USD)

117.3m

NET ASSET VALUE PER SHARE (USD)

2.308

SHARE PRICE

154.0p

NET ASSET VALUE PER SHARE (GBP)

1.868

DISCOUNT TO NET ASSET VALUE

17.6%

As at 29 September 2020 (the latest available date before approval of the accounts), the discount to NAV had moved to 25.4%. The estimated NAV per share and mid-market share price at 29 September 2020 was GBP 1.997 and GBP 1.49 respectively.

Ongoing Charges

Ongoing charges for the year ended 30 June 2020 have been calculated in accordance with the Association of Investment Companies (the "AIC") recommended methodology. The ongoing charges for the year ended 30 June 2020 were 2.48%. Refer to page 53 for the definitions of Alternative Performance Measures ("APMs") together with how they have been calculated.

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Year end 30 June 2019

Average NAV	a	USD 131,101,877
Operating expenses*	b	USD 3,256,383
Ongoing charges figure (calculated using the AIC methodology)	b÷a	2.48%

*Operating expenses per the financial statements less one off non-recurring charges of USD 103,505.

Company Overview

Focussed investment approach

Portfolio of 24 companies with 65% in top-ten positions. The portfolio has a Price-to-Earnings valuation of 11.7x and an Earnings growth forecast of 7.2% for 2020 and 21.6% for 2021.

Our strategic location in the vibrant heart of Asia

Structure

Investment Manager

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

What Dynam does:

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

The Company

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

What Vietnam Holding does:

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

VIETNAM HOLDING

What makes us different

Right size for the Vietnam equity market
Big enough to be an active and engaged shareholder in portfolio companies, nimble enough to find and fund less-known emerging champions.

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

Strength in mid-caps
Median portfolio company market capitalisation is USD 540.6m, with over 46% invested in high growth small and mid-cap companies.

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

Summary Information

The Company

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

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

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

The Company may invest:

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

Borrowing Policy

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

Investment Restrictions and Diversification

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

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

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

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

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

Shareholder Information

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

Chairman's Statement

Hiroshi Funaki
Chairman

Investment case

Vietnam has won praise for its handling of Coronavirus, and remains a growth market
(7% pa GDP growth for 30 years, 2.5% forecast for 2020)

Attracting FDI, growing trade surplus – potential winner in Trade War between US and China
(record levels of FDI at the end of 2019, and record surplus approaching USD 100 billion for 2020)

Significant part of Frontier Market Index with a prospect for upgrade to Emerging Market inclusion in a few years

Local team and years of experience in the country
(over 60 years combined experience in Vietnam)

Long-term investment approach and outperformance
(On a ten-year basis the Company has significantly out-performed the Vietnam All-Share Index)

High conviction portfolio
(Top 10 holdings = 65% of portfolio)

Strong ESG record
(UNPRI Signatory in 2009, A, A+, A score in most recent report)

"Vietnam remains one of the world's fastest growing economies."

Dear Shareholder,

I am delighted to present my first Annual Report for VietNam Holding Limited, for this extraordinary twelve-month period ending 30 June 2020, having assumed the role as Chairman of the Board of Directors following the AGM in November 2019. I would like to again express my appreciation to Sean Hurst for his leadership during his term as Chairman and his continued support as Senior Independent Director on the Board.

Discount

The discount between the share price and the Net Asset Value per share at the end of the financial year was 17.6%. The average level of the discount was 18.7%, having fluctuated between 12.4% and 29.8% over the period. The Board continues to monitor the discount closely and has three main discount control measures that it seeks to employ: Share Buybacks, Tender Offers, and Marketing.

Share Buybacks

The Board has a mandate, renewed at the AGM on 8 November 2019, to authorise the purchase of up to 14.99% of the Company's shares each year in the open market at prices below NAV per share. In the year from 1 July 2019 to 30 June 2020, the Company bought back 468,583 shares (representing 0.9% of the shares outstanding at 1 July 2019) at a weighted average discount of 18.3%. This resulted in a 0.36% accretion to NAV per share. From September 2017, when the current Board was appointed, through until 30 June 2020, the Company bought back 12.05m shares at a weighted average discount of 15.4%. This represents a 6.68% accretion to NAV per share, equivalent to 2.9% of the weighted average NAV per share for the period.

Tender Offers

From time to time the Board uses tender offers to provide a liquidity opportunity to investors in the Company. The Board will shortly be seeking shareholder approval to conduct a tender offer for 15% of the Company's shares at a 2% discount to the prevailing NAV per share as at 30 October 2020.

Marketing

With the help of Dynam Capital, the Board has intensified the Company's marketing activity throughout the year to help narrow the discount, improve liquidity in the Company's shares and widen our shareholder base. As part of this plan, we relaunched the Company website (www.vietnamholding.com).

The Investment Manager has been actively promoting the Company and along with our broker and sales partners has organised roadshows, topical seminars and two webinars since the COVID-19 outbreak. Our intention is to continuously enhance these marketing and communications efforts, which are bearing fruit. The average daily volume of shares traded in the Company for July 2020 has increased by about 94% above that of the preceding three-month average, and the Company has attracted several new institutional investors, family offices and retail investors through wealth management platforms. We welcome all shareholders who may be reading this Annual Report for the first time and thank all existing holders for their support.

Performance
In the first half of the annual period, VNH's NAV per share increased by 2.0% to USD 2.773, in line with a return of 2.0% in the Vietnam All Share Total Return Index in USD terms, whilst from 1 January 2020 to 30 June 2020, the NAV per share (USD) declined by 16.8%, underperforming the Index's decline of 11.3%. However, over the ten-year period ending 30 June 2020, VNH's NAV per share (USD) increased by 5.1% per annum, compared to a 1.9% per annum increase in the Vietnam All Share Index in USD terms.

COVID-19 Rewrites the Script
Whilst the first half of this financial year was dominated by Brexit, interest rate cuts and the US-Sino trade war, the rest has unarguably been all about the COVID-19 crisis and its unprecedented impacts. The Company put its Business Continuity Plans ("BCP") in place and ensured that Dynam Capital and its wholly owned Vietnam Subsidiary, as well as all other key service providers, had their own BCPs in motion as COVID-19 took hold. We frequently updated investors about the changing circumstances through regulatory news service ("RNS Announcements") and investor factsheets. As such, we are very pleased to report that there was no interruption to the activities of the Company during this period. This, of course, is also in part due to the notable ways in which Vietnam handled the pandemic. This is discussed in greater detail in the **Investment Manager's Report**, which follows.

Despite the increased uncertainties caused by the global pandemic, Vietnam remains one of the world's fastest growing economies, and its GDP grew by 1.8% in the period from 1 January 2020 to 30 June 2020. Vietnam's GDP growth for 2020 is estimated at approximately 2.5%, down from the multi-decade average of 6% to 7%. This is still a significant rise when much of the world is experiencing sharp contractions never seen before. Vietnam is an open trading economy, and there will be headwinds from some of its trading partners as the economic effects of the pandemic continue to hit. That said, Vietnam's domestic economy shows promising signs of resilience, and the Investment Manager has taken steps to tilt the portfolio towards a more domestic base and a slightly larger average company size without swaying from its core long-term investment themes of industrialisation, urbanisation and domestic consumption.

Performance monitoring has always been a key focus of the Board, and we engage closely with our Investment Manager in this respect through monthly conference calls attended by members of the Board, quarterly presentations and extensive onsite visits. In December 2019, the Board spent two days with Dynam Capital and its local management team in Ho Chi Minh City, and took the opportunity to meet with several investee companies. A follow-up visit was made in early February to meet with one of our newer portfolio companies and gauge first-hand how the country was preparing for COVID-19, at which stage it was thought to be no more than a localised outbreak. A more detailed account of the Company's annual performance is also provided in the **Investment Manager's Report**.

Changes to the Investment Management Agreement
Since inception of the Company, the Investment Manager, under an Investment Management Agreement ("IMA"), has been entitled to both a Management Fee and an Incentive Fee for their services to the Company. In the course of the marketing efforts for the Company over the last 18 months, feedback was received from a number of potential investors regarding Incentive Fees. In order to make the Company's shares more attractive to as wide a universe of investors as possible, and in close discussion with Dynam Capital, the Board has agreed to remove the Incentive Fee from the IMA (currently 12% of any profits the Company makes after clearing a hurdle rate of 8% and a high water mark are payable to the Investment Manager).The Board has also agreed to modify the

"Vietnam's domestic economy shows promising signs of resilience."

Management Fee (currently on a sliding scale of 1.5% per annum on NAV below USD 300m, 1.25% per annum on NAV between USD 300-600m, and 1.0% per annum on NAV above USD 600m.) The Board has established a new sliding scale of Management Fees as follows: 1.75% per annum on NAV below USD 300m, 1.5% per annum on NAV between USD 300-600m, and 1.0% per annum on NAV above USD 600m.

Build Back Better
The Company has been a signatory of the United Nations' Principles for Responsible Investment for over a decade, and this year we achieved the highest grades in the PRI Assessment report. This year we also established a Board sub-committee to focus solely on our environmental, social and governance criteria, and I have asked Sean Hurst, the previous Chairman, to head this up.
The activities of the Company and the Investment Manager as part of our aim to help businesses make a positive impact are detailed in the Sustainability Report.

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

Hiroshi Funaki
Chairman
30 September 2020

Market Overview

Why Vietnam?

Vietnam has a dynamic, fast growing economy and a young, rapidly expanding population. Local entrepreneurs are combining with foreign investors to accelerate development.

A YOUNG, EDUCATED POPULATION OF

96m

PEOPLE

Resilient and resourceful

- Vietnam has a dynamic, fast growing economy and a young, rapidly expanding population
- Vietnam has proven to be a resilient country in the face of COVID-19 and has won international admiration for its response in handling the pandemic
- The country's strategic location, low labour cost and educated workforce makes it an ideal location for manufacturing
- Vietnam continues to attract Foreign Direct Investment and is seen by many as a winner in the global trade dispute between the US and China

One of the world's fastest growing economies

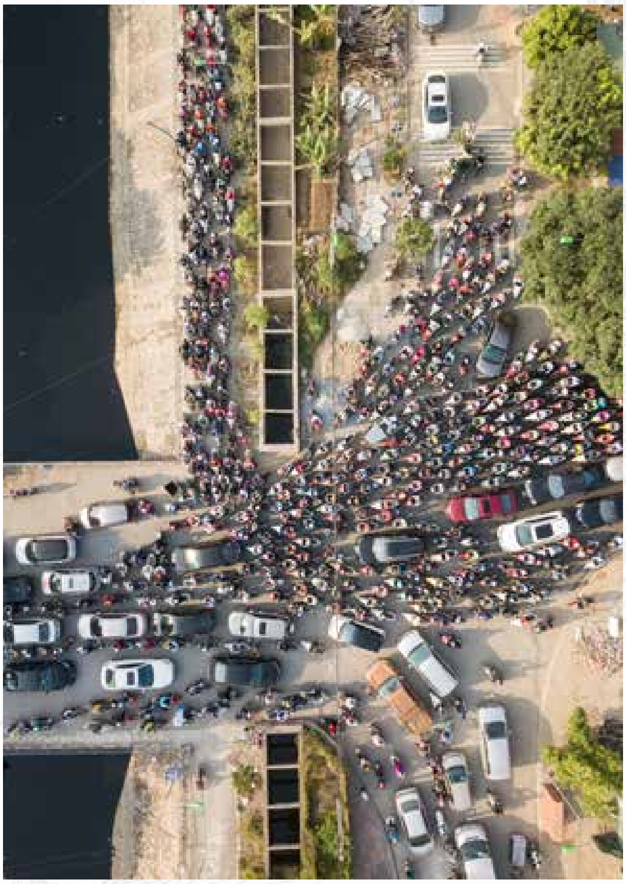
- GDP has been growing at 7% a year on average for the past 30 years
- Foreign Direct Investment is driving rapid industrialisation and urbanisation
- A stable macroeconomic environment with low inflation

A rapidly expanding consumer class

- A young, educated population of 96m people
- GDP per capita has reached the key inflection point of approximately USD 3,000 indicative of a burgeoning consumer class

Key investment areas for VNH

- Rapid urbanisation and industrialisation are creating investment opportunities in real estate and industrial services
- Consumer growth is fuelling demand for goods sold through modern retail chains
- The overall expansion of the economy is providing opportunities for best-in-class banks and consumer finance companies to grow their franchises



Investment Manager's Report

Vu Quang Thinh
Chief Investment Officer Managing Director

Craig Martin
Chairman and Managing Director

In the period from 1 July 2019 until 30 June 2020 the Company's NAV per share (USD) declined by 15.1%, underperforming the total return decline of 9.6% in the Vietnam All Share Total Return Index (VN), in USD terms.

The Company has a high-conviction portfolio concentrated in 24 positions, with the top ten positions making up 65% of NAV. The largest weighting, FPT Corporation ("FPT"), (14.3% of NAV), a software developer and provider of IT and telecom services, fared well in the period gaining 19.8%. FPT is well-positioned for the escalating focus on tech and e-commerce in Vietnam, as the country's leading IT company. Its broadband subscriber base grew sharply in the first six months of 2020. One of its key growth areas continues to be its software outsourcing segment, with around 720 global customers which includes more than 100 in the Fortune 500. FPT aims to be an internationally recognised full IT services provider and its expansion outside of Vietnam has recently gained more momentum despite the COVID-19 crisis. Its sustainability strategy is a considerable part of its success and is indeed why we are invested in it. For example, FPT has assured compliance with regulations on wastewater treatment in all its buildings. Also, as part of raising awareness for employees, FPT established a running campaign with the participation of more than 7,000 employees. This resulted in the planting of more than 6,000 trees in Vietnam, Japan and Slovakia. The company also offers impressive training and upskilling programmes for employees and partners.

Hoa Phat Group ("HPG"), (6.9% of NAV), Vietnam's largest steel producer in construction steel and steel pipe, was a particularly strong performer in our portfolio for the period gaining 14%. Its goal to be in the top 50 largest steel enterprises in the world has proved promising. In 2019, HPG provided nearly 2.77 million tonnes of construction steel (+16.7% YoY) in which over 0.26 million tonnes were exported to Japan, Korea and Australia. HPG, which follows the motto 'Harmony for Joint Development', has adopted the circular economic model aiming to use natural resources through the value chain from production to consumption and to the process of restoring and promoting the use of high-tech products and services. This not only saves energy and protects the environment, but also optimises production efficiency and product competitiveness. Notably, HPG also applies the ultra-clean coke heat recovery to eliminate all gases, fumes and toxic chemicals, as well as recovering heat to run the generator.

In terms of the holdings in retailers, Mobile World Group ("MWG"), (6.9% of NAV) fared less favourably despite building strong store networks and compelling offerings. MWG is the country's fifth most popular website and unmatched multiproduct omni-channel, with a robust market share in consumer goods. We have applauded its sound management before, but its handling of the pandemic has stood out in our view for innovatively matching local needs and thoroughly looking after its shareholders. Based on this track-record, we expect it to make strides in its online grocery business expansion during the second half of this year.

The COVID-19 crisis inevitably had a significant impact on the equity markets, particularly in February and March, with sharp declines in asset prices partly due to foreign investors withdrawing funds from open-end funds indiscriminately. Almost USD 770m was withdrawn in the first four months of 2020 – a record level of outflow, representing almost the entire amount of inflows in the previous 15 months. However, the equity markets rebounded significantly in April and May, largely on the back of increased local liquidity. The Company's NAV per share also rose even though its rally lagged the index.

Overall, the larger cap stocks (accounting for 53.4% of the portfolio) outperformed the small and mid-cap stocks during the financial year, which continued to suffer from lower liquidity in the market. This was exacerbated during periods of market downturns and not helped by lagging flows of capital from domestic investors as sentiment improved towards the end of the financial year.

Vietnam's Bigger Economic Picture
Vietnam's macro position became the envy of much of Asia during 2019 and this placed the country in a relatively strong position to face the headwinds of the novel coronavirus, COVID-19. Vietnam was considered a winner in the trade tussle between the US and China with an increase in the market share of exports to the US pushing the trade surplus to a record level of USD 10 billion. The country also attracted record levels of Foreign Direct Investment ("FDI"), amounting to USD 20 billion. The FDI, trade surplus and the strong levels of inward

Investment Manager's Report
continued

remittances from the overseas Vietnamese diaspora led to a surge in the foreign reserves, which heightened to around USD 80 billion at 31 December 2019. During the first half of 2020, it was Vietnam's successful war on the COVID-19 which continues to make headlines around the world. Vietnam was quick to react and emerged quickly from a relatively short lockdown at the end of April 2020.

GDP growth for the six months to 31 December 2019 was 7.2%, and for the first six months of 2020 was 1.8%. GDP growth for 2020 is now estimated to be around 2.5%. Per capita GDP growth has reached USD 3,000, which bodes well as an inflexion point in an emerging consumer-driven society. As an example of other countries in Asia where this level has seen an acceleration in consumer-driven growth, Thailand doubled its GDP from this point in seven years and China doubled its GDP in only five years.

The Vietnamese Dong ("VND") has remained relatively stable against the US Dollar during the period. Headline inflation has risen slightly, partly because of the increase in pork prices following the African Swine Fever, but core inflation remains low and under control. The State Bank of Vietnam has kept credit growth under strict control at around 14% and within targets. The government has also planned a series of stimulus packages and policies to help deal with the pandemic, in its effort to build a sustainable, inclusive and prosperous road to recovery.

From the start, Vietnam put its high penetration of mobile phones and internet access to great use with, for example, its National Public Services Portal which was launched at the end of last year. It registered significant surges in traffic from the start of the outbreak and continues to help the government promote social inclusiveness, sustainability and a strong sense of community during a time of crisis. Of course, the government was already committed to a digital transformation agenda that included its eDocument Exchange Platform, as well as a new focus on digital payments technology, the latter of which is also part of a national financial inclusion strategy that was approved back in January.

Vietnam's ability to limit the impact of the pandemic was also reflected in how it instilled a sense of social responsibility. For example, the state did not shy away from broadcasting the seriousness of the virus, and even made a pop music video to communicate the importance of handwashing that immediately went viral. In March 2020, the government launched a fundraising campaign to buy medical and protective equipment for people working closely with COVID-19 patients. By 5 April 2020, more than 2.1 million donations had been sent via text message platform.

Another shining moment for Vietnam was in early May 2020 when most of the world was in lockdown, export value for the first four months of 2020 surprised the world with a year-on-year increase of 2%, with phones, PCs and other technological services proving most resilient. In addition, the government shrewdly scrapped a ban on rice exports imposed back in March 2020 to ensure national food security, realising that supply would exceed demand by 6.7 million tonnes by the end of the year. This was positive news not only for farmers and traders but the wider economy since Vietnam is the world's third largest rice exporter.

Unsurprisingly, tourism and aviation were the hardest COVID-19 stricken sectors. In recent years, Vietnam has emerged as a favourite destination for tourists, particularly travellers from China and South Korea. In 2019, Vietnam received 18 million international arrivals, and in the first month of 2020 it welcomed 1.9 million, including 644,000 from China, 468,000 from Korea, and 79,000 from Japan. Tourist arrivals are bound to be severely impacted for as long as travel restrictions remain. In September 2020, the Government forecasted Vietnam's GDP growth to dip to around 2.5% in 2020, the first time to fall in seven years, mainly because of these two hardest-hit sectors. However, this does compare favourably to the negative growth in other countries in most of the developed world. In addition, there was a short boost to the economy through domestic travel in early May 2020 when the government opened tourism for the local holiday weekend to areas such as Da Lat, Vung Tau and Mui Ne. Hotel occupancies increased, with restaurants and coffee shops opening under specific social distancing guidelines. New cases of COVID-19 that emerged at the end of July 2020, however, resulted in restrictions being put back in place in Danang, a popular tourist destination on Vietnam's central coast. These restrictions were lifted in early September 2020.

Vietnam's Model Handling of the Pandemic

The initial outbreak of COVID-19 in Vietnam was reported in late January 2020 around the Lunar New Year (Tet) holiday and was put under tight control. The country went almost 100 days from the middle of April 2020 to 30 June 2020 with no community spread cases of COVID-19 and no deaths. During this period the positive tests were from imported cases, and these were dealt with through strict quarantine procedures and thorough trace measures. There was a re-emergence of infections in Danang at the end of July, and sadly the country's first fatalities. Despite this, Vietnam has continued to receive further praise from the World Health Organisation for its swift response to the pandemic. As of 7 September 2020, Vietnam has a total of 1,049 infections and 35 fatalities.

As aforementioned, Vietnam continues to attract worldwide attention for its commendable coordination to limit the spread of the virus, curtailing transport with those countries affected, putting people in well-organised quarantine and immediately extending the school holidays with firm and transparent plans. Authorities also have been proactive in informing the public daily about preventing the spread by focusing less on politics and more on simply raising awareness on the practical steps its citizens can take, such as routine washing hands, social distancing and wearing masks.

Throughout the pandemic, Vietnam has proved itself as an increasingly open economy and stronger link in Asia's manufacturing supply chain. Manufacturing accounts for about 20% of total GDP, so any disruption to the flow of intermediate and finished goods between Vietnam and China, Korea and Japan – representing 55% of the total imports of Vietnam and 31% of its total exports – will inevitably disrupt GDP growth. On a brighter note, given Vietnam's manufacturing capability, relatively low labour costs and convenient transport connections, a steady flow of foreign companies is already expanding operations in Vietnam as part of the 'China-plus-one' strategy.

Responsible Investing

The Company is firmly focused on sustainability and has placed ESG principles at the heart of its investment approach for over a decade, having become an early signatory to the United Nations' Principles on Responsible Investing back in 2009. At Dynam Capital, we integrate ESG principles into every investment decision we make and seek to influence greater corporate governance and best practices in investee companies, including encouraging companies to improve their investor relations as well as their financial and non-financial reporting. We recognise that ESG is a 'journey' for many companies in Vietnam, with some at more advanced stages than others.

We consider ourselves patient investors and have seen and indeed played a part of positive developments in our portfolio companies on several ESG levels. We were extremely pleased to see the release in August 2019 of the first edition of the Vietnam Corporate Governance Code of Best Practices, launched by the State Securities Commission of Vietnam, with contributions from other parties, including the Vietnam Institute of Directors, which our CEO Vu Quang Thinh co-founded and is a member of its Board. It also is encouraging to see more executives and board members of listed and unlisted companies undertake formal director training at the Vietnam Institute of Directors, where Thinh is a visiting lecturer.
We expect this to lead to a wider pool of talented local independent non-executive directors and to enhance the corporate governance of our portfolio companies over time. Our efforts have resulted in the Company receiving top grades in the report by the UNPRI. More details of this can be found in the Sustainability Report.

Investment Manager's Report
continued

Positioning and Core Themes

The Company has constructed a relatively concentrated portfolio of 24 companies, top ten positions making up 65% of the NAV, with a bias towards growth from mid-cap companies. During the year, we sold 8 positions and added 8 positions. We exited a few smaller companies and selectively added to our positions in larger companies, which includes increasing VNH's allocation to banks from 7% at 1 July 2019 to 16% at 30 June 2020. That increased the median portfolio market capitalisation from USD 332m to USD 540m. Given the global shocks that COVID-19 has instigated, we think the move to a larger median firm size is a warranted risk mitigant. It also still allows VNH to benefit from future growth of smaller innovative companies with long-term potential.

Our main investment approach remains focused on: Industrialisation (best-in-class manufacturers, international logistics); Urbanisation (purposeful real estate, transportation, clean energy and clean water); and Domestic Consumerism and its enablers (sustainable retail, domestic logistics, products and finance). These themes are inter-linked, as industrialisation and urbanisation foster further robust growth in GDP and domestic consumption.

Industrialisation

The pace of industrialisation has also progressed dramatically over the past 25 years, and Vietnam has emerged as a noteworthy global player in trade, well-known as a major producer of garments, footwear, furniture and increasingly more as a hi-tech supplier of hardware and software to customers around the world. Industrial growth has been propelled by Vietnam's population of nearly 100 million people, the third largest in South-East Asia, and 15th in the world, with a core and cohesive Confucian backbone and East-Asian economic mindset, generating a labour pool that is young and hardworking, but also more cost efficient than China and Mexico.

Although our garment companies were attractively priced, and generated a high dividend, we decided to exit them early in 2020 for two reasons. Firstly, one of them ceased providing us with meaningful updates on their plans and progress, which we deemed as a red flag. Secondly, it became clear quite early on that COVID-19 was hitting Europe and the US harder, and that end-buyers of garments would soon face very difficult trading conditions. We expected that this would put pressure on the suppliers in manufacturing locations, such as Vietnam, Cambodia, Myanmar and Bangladesh. As a result, we took the decision to exit entirely from our two positions in this increasingly fragile sector.

Conversely, we added three new logistics companies: Gemadept ("GMD"), (3.4% of NAV); ABA Cooltrans ("ABA"), (5.1% of NAV); and Viettel Post ("VTP") (4.8% of NAV). VTP is an online parcel delivery business which is now in our top-ten holdings. The company continues to benefit from the online growth and upsurge in goods delivery in Vietnam, particularly given its extensive postal coverage and large client base. It has a critical competitive advantage since it manages Viettel Telecom's stores and point of sales, which has a subscriber base of around 67 million as of year-end 2019. To put that into context, that is almost 70% of the country's population.

1 https://population.un.org/wup/Publications/Files/WUP2018-Highlights.pdf

"Our main investment themes are Industrialisation, Urbanisation, and Domestic Consumerism."

GMD engages in the port operation and logistics business in Vietnam as well as internationally, while ABA Cooltrans is a leading service provider of integrated cold-chain logistics supporting modern trade. VNH invested in ABA through a convertible note, which has a coupon of 9% in Vietnamese Dong and a conversion option into equity, with a Put/Redemption right. We reduced our holding slightly in Saigon Cargo Service ("SCS") to rebalance our logistics exposure, as GMD owns approximately 36.4% of SCS. SCS and GMD are both outside our top ten, but on a combined basis account for 6.5% of NAV.

Urbanisation

Vietnam has undergone a fast pace of urbanisation. According to a UN forecast[1], its urban population rose from 20% in 1990 to 36% in 2018 and is expected to reach 44% by 2030. Ho Chi Minh City, Vietnam's largest urban ground, has become a metropolis, and having expanded its breadth, height and attraction it is now home to more than 10 million people. This growth has necessitated the construction of 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. VNH has 17.1% exposure to Vietnam's dynamic real estate market, including its holdings in Khang Dien House ("KDH"), (6.3% of NAV); Dat Xanh ("DXG"), (4.4% of NAV); and Vincom Retail ("VRE"), (1.9% of NAV).

During the year, we reduced our exposure to commercial property developer Van Phu Invest ("VPI"), (5.5% of NAV) and shopping mall developer, VRE. The urbanisation trend and consequent 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.

Our holding company, KDH, for example, is a leading private property developer in Ho Chi Minh City having successfully pioneered a range of affordable garden townhouses around the city. It since has secured a land bank worth more than ten years of future developing and allocated at least 50% as green for all residential projects deployed in 2019. KDH is ESG conscious, for example, by also using wastewater systems designed to have minimal impact on the environment.

Domestic Consumerism

As Vietnam's population is becoming increasingly data-connected and sophisticated, demand for clean water, access to safe food and quality education for their children continues to rise. In addition, Vietnam's 'middle income' population is projected to expand at a rate of 18% annually, adding a further 35 million people to this group of consumers by 2030. According to a Nielsen[2] survey, Vietnam's consumers are already keen on spending more on new clothes, vacations, new technology products, home improvement and interior decoration, as well as paying more for medical insurance. The International Monetary Fund forecasts that Vietnam's real GDP per capita could reach USD 3,664 by 2023, equivalent to CAGR of 7.5% and one of the strongest paces of growth in the Asia-Pacific 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 first three months of the year, but sales of discretionary items sank in April because of the lockdown. June has seen a recovery with retail sales growth at approximately 5.3% year-on-year. The portfolio has 12.5% exposure to the retail sector including Phu Nhuan Jewelry ("PNJ"), (5.6% of NAV), and MWG, (6.9% of NAV).

During the year, we exited entirely from office supplies manufacturer Thien Long Group ("TLG"), and reduced our position in jeweler PNJ. During our investment period in TLG, VNH made a realised return of 50.1%. We took the view that growth would be hindered during the rest of 2020 and may not see the benefits of new product introductions until 2021-2022. Rather than wait to try and sell to a strategic investor, which would have taken 6-12 months (and in hindsight would have proven to be logistically difficult), we exited through the market. We like the company and may revisit it again, but we felt we could deploy the money into better opportunities in the meantime.

Utilities and Banks

Other domestic plays made throughout the year include Utilities and Banks, which account for around 22.5% of NAV. There have been several significant changes in the portfolio during the last year in this respect. In late 2019, we reviewed the banking sector and made a few new recommendations to broaden our allocation to banks from 7% of NAV to 16% of NAV. We kept our core holding in Military Bank ("MBB") (6.3% NAV), but the stock has underperformed the banking sector despite being a well-managed bank and trading at an undemanding price to book ratio of 0.95%. Nevertheless, the liquidity is low.

On top of this, we added two more large banks, VCB (4.2% of NAV) and VPB, which are both well-managed in their core segments. For VPB, we added to an existing position, while VCB was a new addition. Although more expensive than MBB, they have achieved growth despite increasing loan provisions in the face of COVID-19, lower net interest margin and lower credit growth. Both have consumer banking businesses run by industry veterans. For example, the former CEO of HSBC Vietnam is at VCB and the former CEO of Prudential Consumer Finance is at VPB.

Last year we detailed our investments in the renewable energy and water utility segments. These have robust contractual cash flows from long-term supply contracts on their existing operating assets, as well as growth plans to significantly increase their portfolio size. That said, the sector and specific stocks have not yet attracted domestic investors' attention in a substantial way. As a result, their shares have underperformed our expectations. On a combined basis, our investment in the renewable and water segments, both key parts of the UN Sustainable Development Goals, account for 6.6% of NAV. Patience is required for these investments, even as climate change awareness continues to increase in Vietnam. See Sustainability Report for more details.

Outlook

Whilst uncertainties around COVID-19 and its evolving impact on the global economy will persist, many media and analyst reports continue to praise Vietnam's handling of the ongoing pandemic. In recent months, Vietnam has also become a promising destination for more foreign direct investment into manufacturing as part of the 'China-plus-one' strategy. This is not surprising due to its educated, growing middle-class workforce and intrinsic societal and increasingly environmentally friendly culture.

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

Although it is not clear how widespread the direct impact of COVID-19 will be globally, or how long the aftershocks will persist, we expect a rebound in local confidence as the economy re-opens and adjusts, and believe this will be reflected favourably in the domestic equity markets. Patience is required during uncertain times and long-term thinking will be imperative as ever in this constantly changing world.

Dynam Capital Limited
30 September 2020

2 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

Investment Manager's Report
continued

Top Ten Companies by NAV as at 30 June 2020 (and as at 30 June 2019)

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

Top 10 companies as of 30 June 2019	Sector	% NAV
FPT Corp	Telecommunications	10.4%
Phu Nhuan Jewelry JSC	Retail	9.6%
Sai Gon Cargo Service Corp	Industrial Goods & Services	8.5%
Mobile World Investment Corp	Retail	6.6%
Khang Dien House Trading and Investment JSC	Real Estate	6.6%
Military Commercial Joint Stock Bank	Banks	6.1%
Van Phu - Invest Investment JSC	Real Estate	5.5%
Hoa Phat Group JSC	Industrial Goods & Services	4.9%
Vincom Retail JSC	Real Estate	4.9%
Thien Long Group Corp	Retail	4.7%
Total		67.8%

Top Five Portfolio Companies

FPT Corp (FPT)

As at 30 June 2020

VietNam Holding's investment	
Date of first investment	8 January 2007
Ownership	1.1%
Percentage of NAV	14.3%
Internal rate of return (annualised)	19.3%

Share information	
Stock Exchange	HOSE
Date of listing	13 December 2006
Market capitalisation (USD million)	1,542
Free float	75.4%
Foreign ownership	49.0%

Financial indicators	**2019**	**2018**
Capital (USD million)	292.7	264.0
Revenue (USD million)	1,196.1	998.6
EBIT (USD million)	179.0	134.3
NPAT (USD million)	168.8	139.1
Diluted EPS (VND)	4,220	3,546
Revenue growth	19.4%	-45.6%
NPAT growth	21.0%	-8.3%
Gross margin	38.6%	37.6%
EBIT margin	15.0%	13.4%
ROE	24.8%	23.1%
D/E	0.47	0.47

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 in Vietnam since 1996.

FPT offers outsourcing services to 720 global customers, including more than 100 in the Fortune 500. FPT has transformed itself from an IT service to end-to-end digital transformation service provider. Digital transformation services' revenue CAGR reached 30.8% during 2017-2019. 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.

FPT aims to become an internationally recognised full IT services provider. With that goal in mind, it has been focusing on expanding its overseas markets.

At 31 December 2019, FPT has 6 subsidiaries and employs 28,781 employees including 17,628 engineers and technology experts.

Recent Developments
FPT delivered strong business results in 2019 with revenue and profit after tax of USD 1,196.1 million and USD 168.8 million, a growth of 19.4% and 21.0% YoY, respectively. One of the key contributions was the software outsourcing segment, with revenue and profit before tax growing at a rate of 28.5% and 26.7% respectively.

The international markets continued to be a key growth driver of FPT and contributed 41.3% of the company's 2019 revenue. Profit margin continued to rise to 16.8% in 2019, as a result of spinning-off the retail and distribution segment and focusing more on the core technology business.

Sustainability Strategy
FPT has developed a sustainable development orientation and strategy to ensure the balance of three factors: Economic development, Community support and Environmental protection. FPT also referred to the United Nations Sustainable Development Goals ("SDGs") and GRI Sustainability Reporting Standards when establishing action plans.

ESG Achievements
To ensure environmental protection and sustainability, FPT has assured compliance with the regulations on wastewater treatment in all FPT's buildings. In 2019, FPT established a diverse ecosystem of 'Made-by-FPT' and 'Make-in-Vietnam' platforms and solutions that help organisations and businesses to enable digital transformation and improve competitiveness. Furthermore, FPT also expanded their internet service infrastructure to 153 areas in Hanoi and Ho Chi Minh City and 42 districts in many localities across the country.

As a part of raising awareness of environmental issues among its employees, FPT established an environmental campaign with the participation of more than 7,000 employees, planting more than 6,000 trees in Vietnam, Japan and Slovakia.

ESG Challenges
FPT has identified four key issues based on the stakeholders' feedbacks and concerns: Corporate governance improvement, Economic growth ensuring, Human resource development, and Social and Environmental responsibility. FPT has continued to develop the matrix and solution for key issues in the relationship between the Corporate's performance and the economy, society and environment.

Top Five Portfolio Companies
continued

Hoa Phat Group (HPG)
As at 30 June 2020

VietNam Holding's investment	
Date of first investment	20 June 2013
Ownership	0.3%
Percentage of NAV	6.9%
Internal rate of return (annualised)	33.5%

Share information	
Stock Exchange	HOSE
Date of listing	15 November 2007
Market capitalisation (USD million)	3,189
Free float	52.9%
Foreign ownership	36.0%

Financial indicators	**2019**	**2018**
Capital (USD million)	1,191.5	913.7
Revenues (USD million)	2,747.1	2,402.1
EBIT (USD million)	420.5	453.9
NPAT (USD million)	327.0	370.0
Diluted EPS (VND)	2,726	3,105
Revenue growth	14.0%	21.0%
NPAT growth	-11.9%	7.3%
Gross margin	17.6%	20.9%
EBIT margin	15.3%	18.9%
ROE	17.1%	23.6%
D/E	0.77	0.60

About the Company
Starting out as a construction machine and equipment trading company in 1992, HPG has become Vietnam's largest steel producer in construction steel and in steel pipe. Although HPG expanded its business to industrial manufacturing (office furniture, civil electric products and air conditioners), real estate development and agriculture business (animal feed, livestock, eggs and meat processing), steelmaking is still a key business contributing 80% of total revenue.

Currently, HPG holds the leading position in construction steel and steel pipe industry in Vietnam with market shares of 26.2% and 31.5% respectively in these two sectors in 2019. HPG targets to be one of the Top 50 largest steel enterprises in the world with revenue over USD 4.3 billion.

As of 31 December 2019, HPG has 11 subsidiaries with a workforce of 22,300.

Recent Developments
HPG ended 2019 with revenue and net profit after tax of USD 2,747.1 million and USD 327 million, a growth of 14% YoY and -11.9% YoY, respectively. Throughout the year, HPG provided nearly 2.77 million tons of construction steel (+16.7% YoY) in which over 0.26 million tons were exported to Japan, Korea and Australia.

Phase One of Hoa Phat's Dung Quat Steel Integrated Complex was completed with two blast furnaces and the related items for construction steel making. Over 80% of the equipment for Phase Two's hot rolled coil (HRC) line has been completed and it is expected to be operational in 2020. Hoa Phat's Dung Quat seaport, designed to handle 200,000 DWT vessels, is being completed.

In 2019, the agriculture business recorded remarkable results with revenue growth of 72% as a result of strong growth in the livestock and animal feed business. Currently, HPG holds a leading market share position in the supply of Australian beef in Vietnam.

Sustainability Strategy
HPG follows the motto "Harmony for Joint Development" in most of its activities to direct to sustainable development. HPG builds a rapport between HPG and relevant parties, which includes employees, shareholders, partners, customers and social communities.

ESG Achievements
HPG has applied the 'circular economy' model aiming to effectively use natural resources through the value chain, from production to consumption and in the process of restoring and promoting the use of high-tech products and services. The closed steel production process treats waste gas, wastewater, excess heat and even solid waste in a circulation chain, without discharging into the environment: saving energy, protecting the environment and optimising production efficiency and product competitiveness. HPG has also applied the ultra-clean coke heat recovery to eliminate gases, fumes and toxic chemicals, as well as recovering heat to run the generator. As a result, HPG's Steel Integrated Complex has generated a total of 304MW in 2019, bringing both economic and environmental value.

In addition to its technology innovation for environmental protection, HPG has also carried out its corporate social responsibility program. In 2019, HPG spent a total amount equivalent to approximately USD 830,000 for its social and charity activities for vulnerable children and people in remote areas.

ESG Challenges
With the main business in manufacturing steel and steel pipe, the environmental issue is always a challenge for HPG. Even though HPG is compliant with all local environmental standards, the company needs to aim to apply international industry standards for its business units. In addition, the company is required to disclose the information about carbon footprint and emissions and comparing these with sector benchmarks and international standards.

Mobile World JSC (MWG)

As at 30 June 2020

VietNam Holding's investment	
Date of first investment	11 September 2017
Ownership	0.5%
Percentage of NAV	6.9%
Internal rate of return (annualised)	-11.6%

Share information	
Stock Exchange	HOSE
Date of listing	14 July 2014
Market capitalisation (USD million)	1,577
Free float	89.1%
Foreign ownership	49%

Financial indicators	2019	2018
Capital (USD million)	191.4	190.8
Revenues (USD million)	4,409.3	3,721.9
EBIT (USD million)	214.8	166.5
NPAT (USD million)	165.5	123.9
Diluted EPS (VND)	8,665	6,689
Revenue growth	18.1%	30.4%
NPAT growth	33.2%	30.6%
Gross margin	19.1%	17.7%
EBIT margin	4.9%	4.5%
ROE	36.3%	38.7%
D/E	1.17	0.78

About the Company
Established in 2004 with only one mobile phone store in Ho Chi Minh City, MWG had grown rapidly on the back of private capital (PE) investment before listing in the middle of 2014.

As of May 2020, MWG owns 3,401 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 sustained the position of the largest retailer in Vietnam with more than USD 4.4 billion in revenue in 2019. By December 2019, MWG had a 48% share of the domestic mobile phone market, 35% market share in consumer electronics, and a vision to reach 10% market share in the USD 60-billion grocery market by 2022.

As of 31 December 2019, MWG had 6 subsidiaries and employed a total of 57,608 people.

Recent Developments
In 2019, MWG posted net revenue of USD 4,409.3 million and net profit after tax and minority interest of USD 165.5 million, a growth of 18.1% YoY, and 33.2% YoY, respectively. The Dien May Xanh chain continued to bolster the growth of MWG, accounted for 57% of the group revenue and achieved a high single-digit same-store-sales-growth (SSSG) in 2019.

During the COVID-19 outbreak in the first half of 2020, Dien May Xanh and Bach Hoa Xanh continued to achieve revenue growth of 8% YoY and 151% YoY, respectively. Management believe that there is an opportunity for MWG to gain more market share in the mobile phone market and the consumer electronics market.

Sustainability Strategy
The retail industry requires high customer satisfaction levels, and the company has built a consumer-centric company culture, summarised in their slogan "Proactive- Smile- Greet-Thanks". Furthermore, the COVID-19 outbreak also marked a key difference between MWG and other electronics devices retail chains in that the management is very pro-active in its plans and opportunistic in modifying its business model to survive and grow during the pandemic period.

ESG Achievements
As a leader in retail industry, MWG has applied several environmental solutions for all its business units. MWG continues to maintain its activities and campaigns to improve energy saving awareness at its head office and all stores nationwide. In order to mitigate the use of plastic bags, MWG has mandated the use of biodegradable bags at its The Gioi Di Dong and Bach Hoa Xanh outlets.

MWG has provided an attractive bonus and salary plan for employees. In 2019, MWG's employees received between 3 times to 12 times their average monthly income depending on position, performance and contribution to the company's annual plan.

ESG Challenges
As a large company with more than 58,000 employees, MWG faces an ongoing challenge to ensure the health, safety and welfare for all its workers – particularly those in the customer facing areas.

Top Five Portfolio Companies
continued

Military Bank (MBB)
As at 30 June 2020

VietNam Holding's investment	
Date of first investment	25 May 2017
Ownership	0.4%
Percentage of NAV	6.3%
Internal rate of return (annualised)	-1.9%

Share information	
Stock Exchange	HOSE
Date of listing	1 November 2011
Market capitalisation (USD million)	1,725
Free float	75.6%
Foreign ownership	23%

Financial indicators	**2019**	**2018**
Capital (USD million)	1,023.9	929.4
Total operating income (USD million)	1,063.8	840.5
NPAT (USD million)	348.2	266.3
Diluted EPS (VND)	3,596	2,416
TOI growth	26.2%	40.9%
NPAT growth	30.4%	77.4%
ROA	2.1%	1.8%
ROE	21.8%	19.4%
CAR (Circular No.36)	10.7%	10.9%
Non-performing loan ratio	1.2%	1.3%
Equity multiplier (Asset/Equity)	10.3	10.6

About the Company
Founded in 1994, MBB is the seventh largest bank in Vietnam by total assets. It held its IPO in 2004 and its shares have been listed since November 2011. After more than 25 years of development and growth, MBB is considered to be a stable and reliable bank with sustainable development and good reputation. The Bank positions itself as a versatile financial group. The parent bank and its six subsidiaries offer a full range of services, including banking, securities, consumer finance, life insurance, non-life insurance, fund management and asset management.

After three years of shifting its focus to retail lending, MBB is now one of the most profitable banks in the sector. The bank has an extensive branch network and low funding cost given its sector-highest Current Account to Savings Account (CASA) ratio. Despite rapid growth in recent years, MBB has consistently committed to its prudent asset-quality management. It was one of the first banks in Vietnam to implement Basel II since May 2019. As of 31 December 2019, MBB employs a total of 15,691 people.

Recent Developments
In 2019, MBB reported impressive profit after tax growth of 30.4% YoY. The strong growth was contributed from its all business lines. Net interest income, which constituted 73% of total operating profits, increased 23% YoY, driven by strong loan growth and NIM expansion. Fee incomes and other income increased by 34.2% YoY. The non-performing loan ratio was well managed below 1.2%.

MBB's subsidiaries recorded good performances with total profits of more than VND 1,100 billion, almost doubling the level of 2018. One of the subsidiaries, MB Ageas Life made a profit of nearly VND 200 billion after only three years of operation.

MBB has focused on strategically shifting to "Digital Banking" and launched various IT products and a Digital Banking unit.

In 2019, MBB celebrated its 25th Anniversary and launched a new brand identity. 2019 was also the first year that it was included in the list of Vietnam's most profitable companies, with a profit before tax of over VND 10 trillion.

It was awarded "the Brand Finance Banking 500 of the World", "Top 50/500 Most Valuable Companies in Vietnam", "Outstanding Retail Banking Award", "Top 50 Most Valuable Brands in Vietnam" and "Sao Khue Awards 2019 on Information Technology".

Sustainability Strategy
MBB has followed guidelines from the Government and the State Bank with regard to environment protection, social responsibility, social risk management in credit activities and 'green growth'. In the credit process, MBB has integrated contents of environmental and social impact assessments into processes of appraisal, supervision and monitoring.

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

ESG Achievements
During H1 2020, MBB offered a stimulus loan package worth USD 4 billion, which accounted for around 38% of its total loan book, to support clients affected by the COVID-19 pandemic, of which 32% was for individuals, 21% for SMEs and 47% for large corporates.

MBB's employees are remunerated according to individual performance and productivity and in the top-quartile across the Vietnam banking industry. MBB has also implemented training courses for all employees in different departments.

ESG Challenges
As with other banks, MBB has to face the competing challenges of maintaining loan quality across its growing loan book and embedding ESG into its strategy in a robust manner.

Khang Dien House (KDH)

As at 30 June 2020

VietNam Holding's investment	
Date of first investment	13 March 2015
Ownership	1.4%
Percentage of NAV	6.3%
Internal rate of return (annualised)	17.6%

Share information	
Stock Exchange	HOSE
Date of listing	1 February 2010
Market capitalisation (USD million)	524
Free float	79.8%
Foreign ownership	44%

Financial indicators	**2019**	**2018**
Capital (USD million)	234.9	178.1
Revenues (USD million)	121.4	125.5
EBIT (USD million)	52.8	42.3
NPAT (USD million)	39.6	34.9
Diluted EPS (VND)	1,690	1,460
Revenue growth	-3.6%	-4.5%
NPAT growth	13.1%	45.0%
Gross margin	53.3%	42.5%
EBIT margin	43.5%	33.7%
ROE	12.6%	12.4%
D/E	0.10	0.14

About the Company
KDH was founded as a private business in 2001 and converted into a joint stock company in 2007. KDH was a pioneer in developing townhouses at an affordable price in Ho Chi Minh City's suburbs. Based on its initial success, KDH continued to develop and enhance its brand by developing mid-end and high-end projects. KDH attracted investment by several private equity funds during its initial capital raising in 2007 and then listed on the Ho Chi Minh Stock Exchange (HSX) in 2010.

KDH is currently one of the leading private property developers in Ho Chi Minh City and has been developing its urban landbank for more than 10 years. Since its inception, KDH has developed 11 landed property projects with 2,371 units in total. Currently, the Company has four on-going projects with a total development area of 16.9 hectares.

As of 31 December 2019, KDH has 23 subsidiaries and employs a total of 327 people.

Recent Developments
In launching two large condo projects, Jamila and Safira, in 2018, KDH has expanded its business to include the mid-end high-rise products with integrated amenities, suitable for young families.

In 2019, KDH recorded a net profit after tax of USD 39.6 million, exceeding the targeted profit by 2% and growing by 13% YoY. For 2020, KDH set its profit growth target at 20%.

In 2019, the company continued to be included in the 'Top 50 Best Vietnamese listed companies' for the fourth consecutive year by Forbes; the 'Top 10 prestigious listed companies' ranked by Vietnam Report; and 'Top 10 best-performing companies in Vietnam' by Nhip Cau Dau Tu Magazine and Thien Viet Securities JSC.

Sustainability Strategy
KDH sees that it has an important role in building civilised communities and improving standards of living spaces for the society.

KDH corporate mission is "Where you put your trust-Where you make your home". KDH regularly reviews and evaluates the key factors in respects of ESG relating to the sustainability issues of the company.

ESG Achievements
KDH allocated at least 50% of the land for 'green areas' in all its residential projects in 2019. Several environmentally friendly options such as natural lighting and ventilation, using eco-friendly bricks have been applied for all high-rise buildings developed by KDH. The wastewater systems and discharging systems are designed to minimise the impact on the environment.

The occupational health and safety for employees is one of KDH's priority concern. KDH strictly adheres to national safety construction standards. During the construction phase of its projects, labour safety and fire prevention is of paramount importance. All employees are covered by health and accident insurance.

ESG Challenges
One of the challenges for KDH is the industry-wide opaqueness in land clearance and project approval activities. Greater transparency in this information would benefit customers, investors, and debtholders. Another challenge is in ensuring build-quality and safety for employees during the construction phase.

Sustainability Report

Vietnam's development over the past 30 years has been remarkable both in terms of political and economic reform.

Between 1990 and 2019, Vietnam witnessed an increase in GDP per capita (on a PPP basis) by 4.8 times[3], fueled by a robust expansion of the manufacturing and services sectors. The phenomenal economic growth is mostly supported by surging domestic demand and export-oriented manufacturing. Vietnam is also experiencing rapid demographic and social changes with about 70% of the population aged under 35 years and the middle class (13%) growing rapidly.

However, as in many developing countries, fast growth and industrialisation have had detrimental impacts on environmental and social issues, such as soil salinity, which happened in southwest Vietnam in early 2020. There's also the increasing concern about how the country re-thinks waste. Companies operating in Vietnam, as with the rest of the East-Asian and South-East Asian economies, are facing increasing challenges to maintain a balance between the inter-related issues of economic growth, returns to shareholders, sustainability and good business practices.

As a long-term and responsible investor, the Company is committed to sustainability and our criteria in this respect lie at the heart of our investing approach. The Company fully integrates ESG standards into its investment process, and the resulting high-conviction portfolio is based on three core investment themes: industrialisation, urbanisation and domestic consumerism. Our view is long-term and our focus on sustainability and compounding growth means we seek companies that demonstrate a commitment to positive change within the communities they operate and serve.

The Company, as a signatory of the UNPRI, is committed to the six Principles for Responsible Investment and avoiding any investments which involve products and services with known negative effects.

VNH's exclusion criteria involves extensive due diligence of controversial business practices including any businesses dealing in tobacco, firearms, distilled alcohol and gambling, among others. During the screening process, our investment criteria also excludes companies that have activities engaged in pollution, child labour, bribery, or other damaging business practices.

ESG Integration

As part of the investment process, the team identifies key 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. During the initial screening step, the investments involving products and services with known negative effects will be avoided. The due diligence process involves a review of ESG factors in both sustainable reports and site visiting, complemented by an ESG matrix which is constructed for each individual portfolio company. The investment decision is made by both long-term value and ESG consideration.

3 The World Bank: https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=VN; GDP per capita, PPP (Constant 2017 international $)

ESG activities and progress are monitored during engagement meetings with senior managers and boards, and through careful review of company disclosures and relevant news and market developments. Through this focused and active ownership approach to portfolio companies, VNH seeks to encourage positive change over many years.

COVID-19 Accentuates the Role of ESG Investing

This unprecedented global pandemic has accelerated the importance of ESG investing. Borders have been closed, lockdown and social distancing have been applied in many countries, and lately the work-from-home experiment has become a new norm. It also has highlighted the S component of ESG in the way the companies help societies survive and thrive.

Vietnam, a developing country with nearly 100 million people and an un-advanced healthcare system, recorded under 500 confirmed cases and no deaths as of the end of June 2020. At the end of July 2020 further outbreaks occurred in Danang, leading to the country's first fatalities. As at 7 September 2020 the total confirmed cases were 1,049 with 35 fatalities reported. Vietnam has received considerable praise internationally for the pragmatic way in which the government has handled the challenges. This success could not be achieved without the support of its citizens and businesses. In the country's fast-growing IT sector, for example, there are many ways the government, local businesses and citizens worked together to combat COVID-19.

Within our portfolio, FPT launched a smartphone application showing the probability of COVID-19 infection after verifying social media accounts and analysing data such as travel history and use of public transportation. This application is an example of how digital technology and data can be harnessed for social good. Along with the Vietnamese government's relief packages and policies, many local banks implemented solutions to support its customers. Military Bank (MBB), another one of our holdings, offered a stimulus loan package worth approximately USD 4 billion to support clients adversely affected by the pandemic; of which, 32% of the package is for individuals, 21% for SMEs and 47% for large corporates. This is a prime example of how many businesses put their stakeholders, including employees, customers, and communities before the short-term economic profit in this unprecedented time. These companies are setting themselves up to climb higher in ESG rankings and benefit reputationally in the future in term of capital and growth. These are the companies that will thrive in the 2020s and beyond.

Company Engagement Programme

The Company assigns a high priority to the engagement mandate entrusted by shareholders; the Company Engagement Programme, which focuses on improving a portfolio company's financial performance and emphasising the necessity to systematically implement ESG factors for investee companies. By providing knowledge on specific issues, the investment team supports companies in financial and ESG aspects. It contributes to positive change, influencing positive steps towards improving sustainability policies, practices and performance. Furthermore, the engagement programme helps our Company in its decision-making process.

During this year, the Investment Manager actively set up meetings with several portfolio companies in the Company Engagement Programme. Within the past 12 months, the Investment Manager held 22 engagements in both face-to-face and online meetings. Besides talking about company business, the engagements also discussed ESG principles the companies focused on. Corporate governance is of growing importance, the Investment Manager is actively supporting several investees to adopt best practices that lead to sustainable growth and long-term value.

During the COVID-19 lockdown period in Vietnam, the Investment Manager changed the way it interacts with the investee companies from physical meetings to having calls and online meetings. The main focus of these calls was to see how the companies were coping with the impact of COVID-19 on their businesses and operations, and how they were looking to mitigate emerging risks. It was encouraging to see that many of our portfolio companies were prioritising the safety of their employees, supporting their clients and suppliers and ensuring that affected stakeholders would receive appropriate assistance.

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. As the season of 2020 AGMs coincided with the lockdowns, many companies chose either virtual or hybrid AGMs. FPT Corp, with its advantage in IT infrastructure, became a leader in Vietnam organising a hybrid AGM early in the crisis on 8 April 2020. When the government started lifting the lockdown, several portfolio companies including Vinamilk (VNM) and Mobile World (MWG) organised online AGMs with direct voting mechanisms. Some companies also reviewed and added the resolution to enable the use of online AGM with voting options into their Charter and other Internal Corporate Governance Regulations. During the recent AGM season, the Investment Manager attended 11 AGMs on behalf of the Company and considered 208 individual agenda items. The Investment Manager considered each issue based on its merits related to the strategic objectives of the investee company and its long-term profitability.

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

Climate Change

As a responsible investor, the Company acknowledges the importance of integrating climate change risk into its investment process. Along with the Company Engagement Programme, climate change impacts are also mentioned with several investees, especially manufacturing and logistics companies. The Company encourages portfolio companies that are applying new technologies in manufacturing to calculate targets for the use of energy, water, and fuel. For example, HPG, one of our largest investments, applied the most advanced ultra-clean coke heat recovery technology for its steel factories. This technology meets environmental standards under Vietnam's Clean Development Mechanism (CDM) to reduce greenhouse gas emissions under the Kyoto Protocol. The Company is focused on companies committed to clean energy and reducing the impact of climate change.

Corporate Governance in Vietnam

Corporate governance is internationally defined as a system of rules, practices and processes by which a corporation is controlled and managed. According to the recent ASEAN Corporate Government Scorecard Assessment Report, in Vietnam there have been remarkable improvements in the rights of shareholders, transparency, disclosures and responsibilities of boards. However, there is a big gap between the best and the worst companies in this assessment. This only reinforces the importance of boards, investors and regulators to work together in enforcing corporate governance best practices and accountability.

In Vietnam, the legal and regulatory framework for corporate governance is developing at a fast pace. At the end of this financial year, the Vietnam National Assembly passed a new law on Enterprises (2020) for the improvement in corporate governance frameworks following the best practices of G20 (or "Group of Twenty")/ Organisation for Economic Co-operation and Development ("OECD") recommendations, which is focused on extending shareholders' rights in terms of information access, increasing the protection of minority shareholders, as well as clearly defining the rights, responsibilities and fiduciary duties of boards of directors. The 2020 Enterprise Law exemplifies how serious Vietnam is about contemplating mechanisms, such as Non-Voting Depository Receipts ("NVDR") for helping those companies that are subject to restrictions on foreign ownership to expand their investor base. Such innovations could help attract significant new amounts of capital from foreign investors. The new Law on Security will also take effect next year with several improvements and amendments aimed at addressing shortcomings in the current law and to create a stronger legal framework, ensuring sustainable development and integrity of Vietnam's securities markets.

Apart from adhering to international best practices, there are several good corporate governance examples within our portfolio. Leading companies, such as Vinamilk ("VNM") and Mobile World Group ("MWG") set up audit committees under the board of directors. The board of directors structure, with the support of the audit committee, helps set a strong 'tone-at-the-top', overseeing the effectiveness and integrity of internal controls. In addition, many companies have made efforts in improving the independence of their board of directors by appointing more independent directors with work experiences from different sectors. Most companies in our portfolio ensure that one-third of the members of the board are independent, and these independent directors chair several sub-committees. Also, following the Decree 71/2017/ND-CP, all listed companies have separated the roles between chairman and CEO.

Corporate governance in Vietnam is enhanced and supported by market governors, market participants, and promoters of best practice such as the Vietnam Institute of Directors ("VIOD"). The first Corporate Governance Code of Best Practices for Public Companies introduced in August 2019 is one of these efforts to support public and listed companies in aspiring to international best practices, and to help Vietnam align with ASEAN peers in corporate governance standards. As an international institution having 15 years' investment in Vietnam, the Company, in collaboration with entities such as VIOD will continue to play a key role to support good corporate governance in Vietnam over the coming years.

UN PRI

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

Principal Risks and Risk Management

The Board has carried out a robust assessment of the Company's emerging and principal risks and considers with the assistance of the Investment Manager the risks and uncertainties faced by the Company in the form of a risk matrix and heat map. The investment management of the Company has been delegated to the Company's Investment Manager. The Investment Manager's investment process takes into account the material risks associated with the Company's portfolio and the holdings in which the Company is invested. The Board monitors the portfolio and the performance of the Investment Manager at regular Board meetings.The principal risks and the 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 NAV per share.	The Investment Manager keeps shareholders and other potential investors regularly informed on Vietnam in general and the Company's portfolio in particular. At each Board meeting the Board receives reports from the Investment Manager, from finnCap Ltd, its broker, and is updated on the composition of the shareholder register. In 2019 the Company migrated its domicile from Cayman Islands to Guernsey and moved its trading from AIM to a premium listing on the Main Market of the LSE in order to make the shares attractive to a wider audience of potential investors. In seeking to narrow the discount, the Board has also implemented an on-going share buy-back programme.
Investment Performance	The performance of the Company's investment portfolio could be poor, either absolutely or in relation to the Company's peers, or to the market as a whole.	The Board receives regular reports on the performance of the portfolio and its underlying assets. The Investment Manager reports to the Board at each Board meeting, and the Board monitors the performance of the Investment Manager.
Fair Valuation	The risks associated with the fair valuation of the portfolio could result in the NAV of the Company being misstated. The quoted companies in the portfolio are valued at market price, but it may be difficult to liquidate, where large positions are held, at these prices in an orderly fashion in the ordinary course of market activity. The values of the Company's underlying investments are denominated in Vietnamese Dong, whereas the Company's accounts are prepared in US Dollars. The Company does not hedge its Vietnamese Dong exposures so exchange rate fluctuations could have a material effect on the NAV.	The Board reviews the valuation of the portfolio with the Investment Manager regularly. The daily estimated NAV is calculated by the Investment Manager. The monthly NAV is calculated by the Fund Administrator.

Key risk	Description	Mitigating action
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.
COVID-19	Outbreaks of novel coronavirus (COVID-19) as part of a global pandemic pose a health concern through fast person-to-person spread, resulting in an illness that can lead to death. Lockdowns, quarantine measures and restrictions on travel can cause sustained global economic disruption and slowdown in growth, and can cause some industries and companies to face severe financial pressures that can lead to job losses and in extreme cases bankruptcies, impacting the value of the investments held by the Company, and weakening investor confidence. Key service providers to the Company could face loss of personnel, diminution in service capability and could impact the ongoing operations of the Company. Travel restrictions can prevent the Directors of the Company from meeting in person.	The Board is in regular contact with the Investment Manager, receiving regular updates on the development and the spread of COVID-19 and the impact on the performance of the investment portfolio. The Board has verified that the key service providers all have functional Business Continuity Plans. The Investment Manager and its wholly owned subsidiary in Vietnam has a BCP that includes dividing staff into two separate teams and enabling all staff to work from home as necessary. The key activities of the Company and its service providers can be conducted virtually through online calls, electronic mail and video-calls. The Investment Manager, on behalf of the Company uses Regulatory News Services, monthly newsletters, seminars (and webinars) to keep the investors updated on the impact of COVID-19 on the portfolio.
Emerging Risks	New risks beyond those identified as Principal Risks can develop. These Emerging Risks may have a detrimental or existential impact on the Company.	The Board reviews the risk matrix and risk register that captures and tracks emerging risks as part of its overall risk management practices. Emerging Risks are identified and recorded with a description of their root cause, a risk assessment, a description of mitigating actions, a monitoring plan, and a net risk rating. Changes in risk ratings are presented to the Board on a quarterly basis.

Director Profiles and Disclosure of Directorships

Hiroshi Funaki

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

Sean Hurst

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

Philip Scales

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

Damien Pierron

Mr Pierron is currently 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 15 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 Master's Degree in Quantitative Innovation from Ecole Nationale Superieure des Mines de Paris. He is a Dubai resident.

Saiko Tajima

Ms. Saiko Tajima has over 20 years' experience in finance, of which 8 years have been spent in Asian real estate asset management and structured finance. Working for Aozora Bank and group companies of Lehman Brothers and Capmark, she focused on financial analysis, monitoring and reporting to lenders, borrowers, auditors, regulators and rating agencies. Over the last 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
Hiroshi Funaki	Origo Partners plc	London
Sean Hurst	JPEL Private Equity Ltd	London
Philip Scales	Origo Partners plc First World Hybrid Real Estate plc	London Channel Islands

Corporate Governance Report

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

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

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

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

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

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

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

Except as disclosed within this report, the Board is of the view that the Company complied with the recommendations of the AIC Code and the relevant provisions of the AIC Code during the year ended 30 June 2020. Key issues affecting the Company's corporate governance responsibilities, how they are addressed by the Board and application of the AIC Code are presented below.

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

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

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

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

Governance Framework

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

Mr Funaki is a Director of Discover Investment Company which holds 2,730,133 ordinary shares in the Company representing 5.4% of the issued share capital. The Board are satisfied that this does not have any impact on Mr Funaki's independence as a Director of the Company.

Corporate Governance Report
continued

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

Hiroshi Funaki	25,000
Sean Hurst	5,500
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 22.

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

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

During the year 6 Board meetings were held and the record of attendance at each Board and committee meeting was as follows:

	Board	Audit and Risk	Remuneration and Nomination	Management Engagement
Hiroshi Funaki	6 (6)	3 (3)	1 (1)	1 (1)
Sean Hurst	6 (6)	3 (3)	1 (1)	1 (1)
Philip Scales	6 (6)	3 (3)	1 (1)	1 (1)
Damien Pierron	6 (6)	3 (3)	1 (1)	1 (1)
Saiko Tajima	5 (6)	3 (3)	1 (1)	1 (1)

In addition there were 2 meetings of a committee of the board and 5 meetings of the Buy-Back Sub-Committee held during the year.

Tenure of Board Members and Succession Planning
The Company has adopted a formal policy that neither the Chairman nor any other Director shall serve for more than 9 years.

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

Mr. Hurst, Mr Funaki, Mr Pierron, Mr Scales and Ms Tajima will all stand for re-election at the 2020 AGM.

The individual performance of each Director standing for re-election or election has been evaluated by the other members of the Board and a recommendation will be made that Shareholders vote in favour of their re-election at the AGM in October 2020.

Administration
Carey Commercial Limited was the Company's administrator until 6 October 2019.

During the year the Board resolved to appoint Sanne Group (Guernsey) Limited to provide corporate governance, secretarial, compliance and accounting services to the Company effectively from 7 October 2019.

Conflicts of Interest

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

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

Performance Evaluation

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

The Remuneration and Nomination Committee will again consider whether for the next evaluation due in 2021, an external facilitator should be appointed to undertake the evaluations.

Professional Development and Training

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

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

Committees of the Board

Four committees have been formed, an Audit and Risk Committee, a Remuneration and Nomination Committee, a Management Engagement Committee and an ESG Committee. Since September/October 2017 the Company has been through a period of considerable change and all Board members are members of each committee. The Chairman of the Company does not Chair any of the Committees. Details of the Chairman of each committee, together with the number of meetings held during the year are shown on pages 24 to 26. 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 twice per annum. All members of the Board are members of the Committee. This includes the Chairman of the Company where, given the size of the Board, the experience of all members and the independence of the Company Chairman, it is felt appropriate that all Board members play a role in the Audit and Risk Committee. The principal responsibility of the Committee is to monitor the production of the Interim and Annual Financial Statements and to present these to the Board for approval.

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

A report of the Audit and Risk Committee is detailed on pages 27 to 28.

Remuneration and Nomination Committee

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

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

During the year the Committee reviewed the fees paid to Directors and resolved that no changes be recommended save for an additional fee for the new role of Senior Independent Director of the Company.

The AIC Code includes a provision relating to the appointment of a Senior Independent Director; Sean Hurst was appointed during the year as the Senior Independent Director of the Company with an additional fee of USD 5,000 per annum.

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

Management Engagement Committee

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

Corporate Governance Report
continued

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.

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

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

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

Shareholder Engagement
The Company is committed to listening and communicating openly with its Shareholders to ensure that its strategy, business model and performance are clearly understood. All Board members have responsibility for Shareholder liaison but Shareholder contact is mainly dealt with by the Chairman of the Company and 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 participates in meetings with investors arranged by the Company's Broker and has arranged seminars and webinars to update current and prospective investors on the developments in the Vietnamese market and the performance of the Company. The Investment Manager also updates the Company's website and sends out monthly factsheets on the Company to investors who have registered to receive such updates. During the year the Company has also established a LinkedIn page which is administered by the Investment Manager.

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

Corporate Policies

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

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

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

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 2020, nor does it have responsibility for any other emission producing sources. The Company is very conscious of its own carbon footprint in carrying out its business activities. The main source of this for the Company is in the international and domestic air travel of the Board of Directors and members of the Investment Manager in conducting the business of the Company and meeting with Shareholders. For the year to 30 June 2020, the Board travelled to London, Paris, Switzerland 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 102.16 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 was appointment to the Board in May 2019. 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 2020 were:

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

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

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

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

The Committee holds at least three meetings a year which are to review the Annual and Half-Year Reports of the Company and also for audit planning purposes and a review of risks relevant to the Company. Details of the number of committee meetings held during the year ended 30 June 2020 and the number of those attended by each committee member are shown on page 24.

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

Principal Duties
The main responsibilities of the Committee include:

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

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

Valuation of Investments
The fair value of the Company's investments at 30 June 2020 was USD 115.1 million which represented 98.1% of the Company's NAV (30 June 2019: USD 130.6 million and 93.7% 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 2020 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.

At 30 June 2020, the Company held one unlisted investment (5.1% of NAV) and no private equity investments. The Investment Manager undertakes a valuation of the unlisted investment every six months and this is tabled at an audit committee meeting for review. Once the valuation is agreed by the Committee, a recommendation that the valuation be accepted is made to the Board. The valuation methodology was discussed and agreed with the Auditors, as a market acceptable method.

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

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

Audit and Risk Committee Report
continued

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 2020.

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

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

Audit fees payable to KPMG for 2020 are GBP 49,000 (2019: GBP 45,000). Non audit fees payable to KPMG for 2020 were GBP nil (2019: GBP 82,500, made up of interim review fees of GBP 22,500 and Reporting accounting services of GBP 60,000).

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 20 to 21. The Committee will keep under review financial and operational risk including reviewing and obtaining assurances from key service providers for the controls for which they are responsible.

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

Annual Report
The 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
30 September 2020

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 October 2020 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 2020 annual Directors' fees remained at USD 50,000 with the Chairman of the Company receiving an additional USD 10,000 per annum or prorated as applicable and, the Senior Independent Director and the Chairman of the Audit and Risk Committee receiving an additional USD 5,000 per annum or prorated as applicable.

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

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

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

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 and Risk 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
Total		244,140	63,400	307,540

Directors' Report

The Directors present the Annual Report and Financial Statements of the Company for the year ended 30 June 2020.

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

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

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

Results
The net loss for the year ended 30 June 2020 amounted to USD 21,092,101 (2019: USD 23,420,417). There were no dividends declared during the year ended 30 June 2020 (2019: USD nil).

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

The Company's forecasts and projections have been stress tested taking into account the potential for (i) asset value declines, (ii) declines in cash dividends from equities held in the portfolio and (iii) declines in interest from convertible bonds as a consequence of COVID-19. The Company's liquidity position, taking into account cash held, share buybacks and with the ability to sell underlying assets, shows that the Company is able to operate with appropriate liquidity and be able to meet its liabilities as they fall due. The Directors therefore have a reasonable expectation that the Company will have adequate resources to continue its operations for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

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 the potential impact of the principal and emerging risks and uncertainties as outlined on pages 20 to 21 of the Annual Report. The Board also considered its principal risks as detailed in the Investment Manager's Report on pages 7 to 12. The investment strategy of the Company 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. These scenarios included an assessment of the Company's longer-term prospects, including any further uncertainties that may come from the United Kingdom leaving the European Union ("Brexit") and climate change. The sensitivity analysis was applied to the forecasted cash flows. Based on this assessment, the Board has determined that a three-year viability period to 30 June 2023 is an appropriate period over which to provide its viability statement.

The Board's assessment of the Company's viability for the next three years has been made taking account of the uncertainty of the consequences, duration, extent and ultimate impact of the COVID-19 pandemic. The Board also considered the impact and effectiveness of mitigation strategies being mandated by governments in impacted countries; the adverse financial impact already being experienced by the Company; the disruption to economic activity and financial pressures and impact on investments in the Company's portfolio. Additionally the Board took into consideration the impact on the capital markets in Vietnam; the volatility of global economic conditions and impact of a global recession as a consequence of the COVID-19 pandemic; the existence and effectiveness of business continuity plans of the Company and its service providers; and the impact on our stakeholders caused by COVID-19. The Board has also considered the proposed tender offer (see note 16) and assumed in reaching its conclusion on the Company's viability that the offer will be fully taken up.

The ongoing reviews also consider the volatility of global economic conditions and impact of a global recession as a consequence of the COVID-19 pandemic.

– Other ongoing matters considered are:

- The Company's current financial position and prospects;
- The changes taking place in our industry;
- The long-term impact of technological disruption.

Whilst the impact of COVID-19 on the global business environment will be material, with significant changes to the world's supply chains, consumer demand, ability to travel freely and the overall economic growth, the Company's strategy for investing in a portfolio of equities in Vietnam and targeting growth in the value of the portfolio over the medium term is unchanged. The combination of potential structural opportunities that may benefit Vietnam as a destination for manufacturing, and the opportunities within the growing domestic market provide attractive investment opportunities. Vietnam was swift to control COVID-19 and periods of lockdown have been relatively limited. The number of infections and fatalities have been relatively low (less than 1,100 infections and 35 deaths as a result of COVID-19 have been reported). The potential impact of Brexit has been considered and is not deemed to be significant. During the last year Vietnam has ratified a free-trade agreement with the European Union, and this could be a model for a similar bilateral agreement with the United Kingdom in the future. The portfolio is un-geared and, as it holds mostly listed securities, has sufficient liquidity to meet the Company's liabilities.

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 three years. The Board's review considered the Company's cash flows and income flows, with reference to operational, business, market, currency, liquidity, interest rate and credit risk associated in financial instruments set out in note 3 (Financial Instruments and Associated Risks) and note 4 (Operating Segments) of the financial statements on pages 44 to 47. The statistical modelling is used to quantify these risks, which ensures that the Company holds sufficient financial assets and capital to mitigate the impact of these risks.

- The Company has a portfolio that generates investment income through dividends and coupon payments. The cash dividends and coupons received can be used to partially offset the Company's on-going expenses. In the year under review, total on-going expenses were covered 1.01 times by investment income. In the following year, the current investment income is forecast to cover 0.92 times the amount of on-going expenses. In the stress-tested scenario with significant declines in cash dividends forecasted due to COVID-19, the investment income is forecast to cover 0.45 times on-going expenses.
- The Company maintains a cash buffer of approximately 2% of NAV to help meet on-going expenses.
- The Company has a relatively liquid investment portfolio and it is estimated that up to 33.2% of the portfolio can be readily liquidated in less than ten trading days.
- The current portfolio is low to medium risk based on assessments both individually and in combination of liquidity risk, credit risk, interest rate risk and currency risk. The Investment Manager and the Board review and evaluate the portfolio on a monthly basis.

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

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

In order to maintain viability, the Company has robust risk controls as set out in Principal Risks and Risk Management on pages 20 to 21 and the risk management and control framework have the objectives of monitoring and reducing the likelihood and impact of operational risks including poor judgement in decision-making, risk-taking that exceeds the levels agreed by the Board, human error, or control processes being deliberately ignored.

In this context, the Board considers that the prospects for economic activity will remain such that the investment objective, policy and strategy of the Company will be viable for the foreseeable future and through a period of at least three years from 30 June 2020.

Key Performance Indicators (KPIs)
To ensure the Company meets its objectives the Board evaluates the performance of the Investment Manager at least at each quarterly Board meeting and takes into the following performance indicators:

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

Share Capital and Share Buy-Backs
An active discount control mechanism to address the imbalance between the supply of and demand for ordinary shares using share buy backs is employed by the Broker and monitored by the Board. At the Annual General Meeting ("AGM") of the Company held on 8 November 2019, the Company was granted the general authority to purchase in the market up to 14.99% of the ordinary shares in issue. This authority will expire at the AGM to be held in October 2020.

In the year ended 30 June 2020, 468,583 ordinary shares had been bought back and cancelled under the Company's share buyback programme. Since the year-end and up to 30 September 2020, being the latest practicable date prior to publication of the report, the Company bought back and cancelled 246,538 ordinary shares.

Directors' Report
continued

Share Buy-Backs to the Year-Ended 30 June 2020

	30 June 2020		30 June 2019	
	Number of Shares	USD'000	Number of Shares	USD'000
Opening balance at 1 July	**51,283,448**	**82,885**	65,988,673	122,020
Shares issued during the year	–	–	–	–
Shares repurchased during the year	**(468,583)**	**(1,053)**	(4,993,561)	(11,915)
Tender Offer	–	–	(9,711,664)	(27,220)
Closing balance at 30 June	**50,814,865**	**81,832**	51,283,448	82,885

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 2020.

Shareholder	Number of Ordinary shares	Percentage of total shares in issue
Citibank Nominees (Ireland) Designated Activity Company	13,593,238	26.74
The Bank of New York (Nominees) Limited	10,550,258	20.76
Lynchwood Nominees Limited	9,755,159	19.19
Euroclear Nominees Limited	8,722,964	17.16

Notification of Shareholdings

In the year to 30 June 2020 the Company received notifications in accordance with Chapter 5 of the DTR (which covers the acquisition and disposal of major shareholdings and voting rights), of the following changes to voting rights by shareholders of the Company. It should be noted that for non-UK issuers, the thresholds prescribed under DTR 5.1.2 for notification of holdings commence at 5% of total voting rights, however notifications received below 5% have been received and are included in this reporting.

Shareholder	Number of voting rights	Percentage of total voting rights as at announcement date	Announcement date
City of London Investment Management Company Limited	11,150,992	21.8	26 July 2019
City of London Investment Management Company Limited	11,235,992	22	3 September 2019
City of London Investment Management Company Limited	11,804,445	23.2	14 January 2020
City of London Investment Management Company Limited	12,207,379	24	26 March 2020
City of London Investment Management Company Limited	12,113,829	23.8	1 May 2020

Since 30 June 2020 the Company received DTR 5.1.2 notifications of holdings as follows.

Shareholder	Number of voting rights	Percentage of total voting rights as at announcement date	Announcement date
City of London Investment Management Company Limited	11,538,829	22.7	20 July 2020
City of London Investment Management Company Limited	10,598,829	20.9	28 July 2020

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

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

Hiroshi Funaki
Chairman
30 September 2020

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 2020, 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 2020, 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; and
- comply with the Companies (Guernsey) Law, 2008.

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

Key Audit Matters: Our Assessment of the Risks of Material Misstatement
Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matter was as follows (unchanged from 2019):

	The risk	Our response
Valuation of Investments in securities at fair value $115,062,255; (2019: $130,636,802) Refer to pages 27 of the Audit Committee Report, note 2d accounting policy and note 12 "Fair Value Information".	**Basis:** As at 30 June 2020, the Company has invested the equivalent of 93.0% (2019: 93.7%) of its net assets in listed securities on the Vietnam stock exchange (the "Listed Investments"), and 5.1% (2019: nil) of its net assets in an unlisted Vietnamese debt instrument (the "Unlisted Investment"), (together, the "Investments"). The Company's Listed Investments are valued by the Company based on quoted prices in an active market for that instrument. The Company's Unlisted Investment is valued using a discounted cash flow model. **Risk:** The valuation of the Company's Investments is considered a significant area of our audit, given that it represents the majority of the net assets of the Company, and in review of the significance of estimates and judgements that may be involved in the determination of fair value.	**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:** For the Listed Investments, we engaged our own valuation specialist to independently price 100% of Listed Investments to third party pricing sources. With support from our valuation specialist for the Unlisted Investment, we: • assessed the appropriateness of the valuation methodology applied; • challenged the key assumptions used in preparing the valuation including the discount rate and the forecasted cashflows; • agreed key contractual terms such as principal, coupon and repayment terms to supporting documentation; and • considered a market transaction in close proximity to the year end. **Assessing disclosures:** We also considered the Company's disclosures (see notes 2b and 2d) in relation to the use of estimates and judgements regarding the valuation of Investments and the Company's valuation policies adopted and fair value disclosures in note 12 "Fair Value Information" for compliance with IFRS.

Our Application of Materiality and an Overview of the Scope of our Audit
Materiality for the financial statements as a whole was set at $2,345,000, determined with reference to a benchmark of net assets of $117,284,304, of which it represents approximately 2.0% (2019: 1.0%).

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding $117,300, 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
The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's activities including where relevant the impact of the COVID-19 pandemic and the requirements of the applicable financial reporting framework. We analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period, including challenging the underlying data and key assumptions used to make the assessment, and evaluated the directors' plans for future actions in relation to their going concern assessment.

Based on this work, 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(b) 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 these respects.

Other Information
The directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Disclosures of Emerging and Principal Risks and Longer Term Viability
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 (pages 30 to 31) that they have carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity;
- the Principal Risks disclosures describing these risks and explaining how they are being managed or mitigated;
- the directors' explanation in the Viability Statement (pages 30 to 31) 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 if the Corporate Governance Statement does not properly disclose a departure from the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.

We have nothing to report to you in these respects.

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

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 33, 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
30 September 2020

Statement of Financial Position
As at 30 June 2020

	Notes	2020 USD	2019 USD
Assets			
Cash and cash equivalents		**2,561,173**	9,467,257
Investments at fair value through profit or loss	3	**115,062,255**	130,636,802
Accrued dividends and interest		**123,926**	178,750
Total assets		**117,747,354**	140,282,809
Equity			
Share capital		**166,645,041**	166,645,041
Reserve for own shares		**(84,813,068)**	(83,760,308)
Retained earnings		**35,452,331**	56,544,432
Total equity		**117,284,304**	139,429,165
Liabilities			
Payables on purchase of investments		**177,546**	291,233
Accrued expenses		**285,504**	403,772
Payables on repurchase of shares		**–**	158,639
Total liabilities		**463,050**	853,644
Total equity and liabilities		**117,747,354**	140,282,809

The financial statements on pages 37 to 52 were approved by the Board of Directors on 30 September 2020 and were signed on its behalf by

Hiroshi Funaki
Chairman of the Board of Directors

Philip Scales
Chairman of the Audit Committee

The accompanying notes on pages 41 to 52 form an integral part of these financial statements.

Strategic Report
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Statement of Comprehensive Income
For the year ended 30 June 2020

	Notes	2020 USD	2019 USD
Dividend income from equity securities at fair value through profit or loss		2,773,731	4,631,861
Net loss from investments at fair value through profit or loss	7	(21,037,053)	(23,363,804)
Net foreign exchange gain/(loss)		52,119	(109,385)
Interest income from investments at fair value through profit or loss		499,362	–
Net investment loss		(17,711,841)	(18,841,328)
Investment management fees	8	1,971,628	2,441,387
Advisory fees		41,145	1,027,556
Directors' fees and expenses	8	416,854	278,402
Custodian fees	9	121,464	148,218
Administrative and accounting fees	10	259,198	121,741
Audit fees		57,512	120,145
Other expenses		512,459	441,640
Total operating expenses		3,380,260	4,579,089
Loss for the year		(21,092,101)	(23,420,417)
Other comprehensive income		–	–
Total comprehensive loss for the year		(21,092,101)	(23,420,417)
Basic and diluted earnings per share	14	(0.41)	(0.41)

The accompanying notes on pages 41 to 52 form an integral part of these financial statements.

Statement of Changes in Equity
For the year ended 30 June 2020

	Share capital USD	Reserve for own shares USD	Retained earnings USD	Total USD
Balance at 1 July 2018	166,645,041	(44,624,777)	79,964,849	201,985,113
Total comprehensive loss for the year				
Change in net assets attributable to shareholders	–	–	(23,420,417)	(23,420,417)
Total comprehensive loss for the year	–	–	(23,420,417)	(23,420,417)
Transactions in shares				
Repurchase of own shares	–	(39,135,531)	–	(39,135,531)
Total transactions in shares	–	(39,135,531)	–	(39,135,531)
Balance at 30 June 2019	166,645,041	(83,760,308)	56,544,432	139,429,165
Balance at 1 July 2019	166,645,041	(83,760,308)	56,544,432	139,429,165
Total comprehensive loss for the year				
Change in net assets attributable to shareholders	–	–	(21,092,101)	(21,092,101)
Total comprehensive loss for the year	–	–	(21,092,101)	(21,092,101)
Transactions in shares				
Repurchase of own shares	–	(1,052,760)	–	(1,052,760)
Total transactions in shares	–	(1,052,760)	–	(1,052,760)
Balance at 30 June 2020	**166,645,041**	**(84,813,068)**	**35,452,331**	**117,284,304**

The accompanying notes on pages 41 to 52 form an integral part of these financial statements.

Statement of Cash Flows
For the year ended 30 June 2020

	2020 USD	2019 USD
Cash flows from operating activities		
Total comprehensive loss for the year	(21,092,101)	(23,420,417)
Adjustments to reconcile total comprehensive loss to net cash from operating activities:		
Dividend income	(2,773,731)	(4,631,861)
Interest income	(499,362)	–
Net loss from investments at fair value through profit or loss	21,037,053	23,363,804
Purchase of investments	(51,149,237)	(35,234,059)
Proceeds from sale of investments	45,573,044	81,138,966
Net foreign exchange (gain)/loss	(52,119)	109,385
Decrease in receivables on sale of investments	–	101,485
Decrease in accrued expenses	(118,268)	(725,721)
Decrease in other payables	–	(134)
Decrease in payable on repurchases of own shares	(158,639)	(34,410)
Dividends received	2,920,653	4,922,517
Interest received	407,264	–
Net cash (used in)/from operating activities	(5,905,443)	45,589,555
Cash flows used in financing activities		
Repurchase of own shares	(1,052,760)	(39,135,531)
Net cash used in financing activities	(1,052,760)	(39,135,531)
Net (decrease)/increase in cash and cash equivalents	(6,958,203)	6,454,024
Cash and cash equivalents at beginning of the year	9,467,257	3,122,618
Effect of exchange rate fluctuations on cash held	52,119	(109,385)
Cash and cash equivalents at end of the year	2,561,173	9,467,257

The accompanying notes on pages 41 to 52 form an integral part of these financial statements.

Notes to the Financial Statements
For the year ended 30 June 2020

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

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

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

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 Limited 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 was the Company's administrator until 6 October 2019. Effective from 7 October 2019, the Company's administrator is Sanne Group (Guernsey) Limited.

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

Up until 6 October 2019, the registered office of the Company was Elizabeth House Les Ruettes Brayes, St. Peter Port, Guernsey, GY1 1EW. Effective from 7 October 2019, the registered office of the Company is De Catapan House, Grange Road, St Peter Port, Guernsey, GY1 2QG.

2 Significant Accounting Policies

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

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

Going concern
The Directors have reasonable expectations and are satisfied that the Company has adequate resources to continue its operations and meet its commitments for the foreseeable future and they continue to adopt the going concern basis for the preparation of the financial statements. In making this statement, the Directors confirm the Company's forecasts and projections have been stress tested taking into account the potential for (i) asset value declines, (ii) declines in cash dividends from equities held in the portfolio and (iii) declines in interest from the convertible bond as a consequence of COVID-19. The Company's liquidity position, taking into account cash held, share buybacks and with the ability to sell underlying assets, shows that the Company is able to operate with appropriate liquidity and be able to meet its liabilities as they fall due.

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

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

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

Notes to the Financial Statements continued
For the year ended 30 June 2020

2 Significant Accounting Policies continued

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

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

(c) Foreign currency translation
Transactions in foreign currencies other than the functional currency are translated at the applicable rates on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated to USD at the applicable rates on the year-end date. Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are included in the Statement of Comprehensive Income. Foreign currency exchange differences relating to 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
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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

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

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

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

Financial assets measured at fair value through profit or loss (FVTPL)
A financial asset is measured at fair value through profit or loss if:

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

The Company measures all its investments at FVTPL.

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

Financial assets and financial liabilities at fair value through profit or loss are recognised initially at fair value, with transaction costs recognised in 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 FVTPL at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net gain or loss on financial assets and liabilities at FVTPL in the Statement of Comprehensive Income. Interest and dividends earned or paid on these instruments are recorded separately in interest income or expense and dividend income 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 the last traded price.

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

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

Any increases or decreases in fair value are recognised in the Statement of Comprehensive Income as an unrealised gain or loss from investments at fair value through profit 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 for own shares. When such shares are subsequently sold or re-issued to the market any consideration received, net of any directly attributable incremental transaction costs, is recognised as an increase in equity shareholders' funds through the reserve of own shares account.

Notes to the Financial Statements continued
For the year ended 30 June 2020

2 Significant Accounting Policies continued

(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% (2019: 0.1%) on the sales proceeds of the onshore sale of equity investments. The related taxes on onshore sales proceeds are accounted for at net amount in the Statement of Comprehensive Income.

(h) Interest income and expense
Interest income and expense is recognised in the Statement of Comprehensive Income using the effective rate method.

(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.

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:

	2020		2019	
	Fair value in USD	% of net assets	Fair value in USD	% of net assets
Investments in listed securities	109,053,083	92.98	130,636,802	93.69
Investments in unlisted securities	6,009,172	5.12	–	–
	115,062,255	98.11	130,636,802	93.69

At 30 June 2020, a 5% reduction in the market value of the portfolio would have led to a reduction in NAV and profit or loss of USD 5,753,113 (2019: USD 6,531,840). 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 2020, the Company had the following foreign currency exposures:

	Fair value	
	2020 USD	**2019 USD**
Vietnamese Dong	**116,394,920**	138,148,485
Pound Sterling	**3,491**	(155,043)
Swiss Franc	**2,564**	2,492
Euro	**51,234**	52,035
	116,452,209	138,047,969

At 30 June 2020, a 5% reduction in the value of the Vietnamese Dong, Pound Sterling, Swiss Franc, Euro versus the US Dollar would have led to a reduction in NAV and profit or loss of USD 5,819,746 (2019: USD 6,907,424), USD 175 (2019: (USD 7,752)), USD 128 (2019: USD 125) and USD 2,562 (2019: USD 2,602) respectively. A 5% increase in value would have led to an equal and opposite effect.

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

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

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

At 30 June 2020, the following financial assets were exposed to credit risk (including settlement risk): cash and cash equivalents and accrued dividends and interest. The total amount of financial assets exposed to credit risk amounted to USD 2,685,099 (2019: USD 9,646,007).

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

As at 30 June 2020, the Company's custodian, Standard Chartered Bank (Singapore) Limited was rated as A by Standard and Poor's, A1 by Moody's and A+ by Fitch (2019: 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 2020, the total of short-term receivables was USD 123,926 (2019: 178,750), on which a loss allowance of USD nil had been provided (2019: 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.

Notes to the Financial Statements continued
For the year ended 30 June 2020

3 Financial Instruments and Associated Risks continued

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

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

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

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

	On demand USD	1 to 3 months USD	Over 3 months to 5 years USD	No fixed maturity USD	Total USD
2020					
Cash and cash equivalents	2,561,173	–	–	–	2,561,173
Investment at fair value through profit and loss	–	–	6,009,172	109,053,083	115,062,255
Accrued dividends and interest	–	123,926	–	–	123,926
Total financial assets	2,561,173	123,926	6,009,172	109,053,083	117,747,354
Payables in purchase of investments	–	177,546	–	–	177,546
Accrued expenses	–	285,504	–	–	285,504
Total financial liabilities	–	463,050	–	–	463,050
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

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

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

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

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

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

As of 30 June 2020, no individual investment exceeded 20% of the net assets attributable to Shareholders (2019: none).

All of the Company's investments in securities at fair value are in Vietnam as at 30 June 2020 and 30 June 2019. All of the Company's investment income can be attributed to Vietnam for the years ended 30 June 2020 and 30 June 2019.

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.

	2020 No. of shares	**2019 No. of shares**
Total shares issued and fully paid (after repurchases and cancellations) at beginning of the year	**51,283,448**	65,988,673
Shares issued upon exercise of warrants during the year	–	–
Shares cancellation	**(468,583)**	(14,705,225)
	50,814,865	51,283,448
Repurchased and reserved for own shares		
At beginning of the year	–	–
During the year	**(468,583)**	(14,705,225)
Shares reissued to ordinary shares	–	–
Shares cancellation	**468,583**	14,705,225
Total outstanding ordinary shares with voting rights	**50,814,865**	51,283,448

As a result, as at 30 June 2020 the Company has 50,814,865 (2019: 51,283,448) ordinary shares with voting rights in issue (excluding the reserve for own shares), and Nil (2019: Nil) are held as reserve for own shares.

Notes to the Financial Statements continued
For the year ended 30 June 2020

5 Share Capital continued

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 can be reissued in the future or subsequently cancelled. All reserves are available for distribution subject to a solvency assessment.

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

Capital Management
The Company does not have any externally imposed capital requirements.

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

6 Net Assets Attributable to Shareholders
Total equity of USD 117,284,304 (2019: USD 139,429,165) represents net assets attributable to Shareholders. NAV per share as at 30 June 2020 is USD 2.308 (2019: USD 2.719).

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

	2020 USD	2019 USD
Realised loss on disposal of investments	(2,483,703)	(4,855,435)
Realised foreign currency loss	(1,233,861)	(2,350,457)
Unrealised loss on investments at fair value through profit or loss	(18,909,482)	(16,224,771)
Unrealised foreign currency gain	1,589,993	66,859
	(21,037,053)	(23,363,804)

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. The agreement is subject to 6 months notice such notice not to expire before 16 July 2020. Pursuant to the agreement the Investment Manager is entitled to receive a monthly management fee, paid in the manner set out as below:

- On the amount of the Net Asset Value of the Company up to 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 2020 was USD 1,971,628 (2019: USD 2,441,387). An amount of USD 150,548 (2019: USD 173,129) was outstanding as at 30 June 2020.

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 NAV per share in each financial year of the Company over an 8% compound hurdle, starting with the high water mark as of 30 June 2019 (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.

There are no incentive fees accruing to the Investment Manager for the year to 30 June 2020 (2019: USD nil), refer to note 16 Events After Reporting Date for further details.

Directors' fees and expenses

The Board determines the fees payable to each Director, subject to a maximum aggregate amount of USD 350,000 (2019: 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 343,057 (2019: USD 307,540) and expenses were USD 73,797 (2019: USD 95,862).

Bonus payments refunded to the Board and netted against the normal fees USD nil (2019: (USD 125,000)).

As at 30 June 2020, USD nil (2019: 13,479) of Directors' fees were outstanding.

Directors' ownership of shares

As at 30 June 2020, Directors held 45,500 ordinary shares in the Company (2019: 35,500) as listed below.

Hiroshi Funaki	25,000 Shares
Sean Hurst	5,500 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 the Company representing 5.4% of the issued share capital.

9 Custodian Fees

Custodian fees are charged at a minimum of USD 12,000 (2019: 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 (2019: 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 121,464 (2019: USD 148,218), of which USD 10,200 (2019: nil) were outstanding at year end.

10 Administrative and Accounting Fees

Under the Company Administration Agreement with Carey Commercial Limited effective until 6 October 2019, the Administrator received a minimum fixed fee of GBP 60,000 per annum for the provision of company secretarial services payable quarterly in advance and variable fees for additional services provided payable on ad-hoc basis. The charges for the year for Administration fees were USD 37,202 (2019: USD 175,940), of which USD nil (2019: USD 22,186) were outstanding at year end.

In accordance with the new Administration Agreement between the Company and Sanne Group (Guernsey) Limited (the "Administrator") dated 7 October 2019, the Administrator is entitled to receive a fee of 0.08% per annum of NAV up to USD 100,000,000, 0.07% of NAV thereafter subject to a minimum fee of USD 140,000 per annum. The administration fees are accrued monthly and are payable quarterly in advance. The Company also entered into a separate Accounting Services Agreement with the Administrator dated 4 July 2019, in which the Administrator received a fee of USD 25,000 for the provision of accounting services for the financial year ended 30 June 2019. The charges for the year for Administration fees were USD 161,318, of which USD 5,000 were outstanding at year end.

The Sub-Administrator receives a fee as consideration for the services provided to the Company at such rates as may be agreed in writing from time to time between the Company and the Sub-Administrator. The charges for the year for Administration fees were USD 60,678 (2019: USD 121,741), of which USD 6,161 (2019: USD 40,431) were outstanding at year end.

11 Controlling Party

The Directors are not aware of any ultimate controlling party as at 30 June 2020 or 30 June 2019.

Notes to the Financial Statements continued
For the year ended 30 June 2020

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

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
2020				
Financial assets classified at fair value upon initial recognition				
Investments in securities	109,053,083	–	6,009,172	115,062,255
2019				
Financial assets classified at fair value upon initial recognition				
Investments in securities	122,462,234	8,174,568	–	130,636,802

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.

Valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used:

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

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

The following table presents the movement in level 3 instruments for the year ended 30 June 2020 by class of financial instrument

	Convertible bond USD	Total carrying amount USD
2020		
Opening balance	–	–
Purchases	6,024,564	6,024,564
Net loss from investments at fair value through profit or loss	(15,292)	(15,292)
Closing balance	6,009,172	6,009,172

There were no level 3 assets held during the year ended 30 June 2019. There were no transfers in or out of level 3.

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

	Fair value through profit or loss USD	Loans and receivables USD	Other liabilities USD	Total carrying amount USD
2020				
Cash and cash equivalents	–	2,561,173	–	2,561,173
Investment in securities at fair value	115,062,255	–	–	115,062,255
Accrued dividends and interest	–	123,926	–	123,926
	115,062,255	2,685,099	–	117,747,354
Payables in purchase of investments	–	–	177,546	177,546
Accrued expenses	–	–	285,504	285,504
	–	–	463,050	463,050
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

Notes to the Financial Statements continued
For the year ended 30 June 2020

14 Earnings Per Share
The calculation of basic and diluted earnings per share at 30 June 2020 was based on the total comprehensive loss for the year attributable to Shareholders of USD 21,092,101 (2019: loss of USD 23,420,417) and the weighted average number of shares outstanding of 50,947,804 (2019: 57,184,613).

15 New and Amended Standards and Interpretations

(i) Standards and amendments to existing standards effective 1 July 2019
The Board of Directors has assessed the impact, or potential impact, of all new standards and amendments to existing standards. In the opinion of the Board of Directors, there are no mandatory new standards and amendments applicable in the current year that had any material effect on the reported performance, financial position, or disclosures of the Company.

(ii) Standards effective after 30 June 2020 that have been early adopted by the Company
There are no standards effective after 30 June 2020 that are relevant to the Company.

16 Events After the Reporting Date
From 1 July 2020 to the date of signing these financial statements, there were no material events that require disclosures and/ or adjustments in these financial statements save as disclosed below.

During the year ended 30 June 2020, in the course of the marketing efforts for the Company over the last 18 months, feedback was received from a number of potential investors regarding Incentive Fees. In order to make the Company's shares more attractive to as wide a universe of investors as possible, and in close discussion with Dynam Capital, the Board has agreed to remove the Incentive Fee from the IMA (currently 12% of any profits the Company makes after clearing a hurdle rate of 8% and a high water mark are payable to the Investment Manager). On 30 September 2020, the Board agreed to modify the Management Fee (currently on a sliding scale of 1.5% per annum on NAV below USD 300m, 1.25% per annum on NAV between USD 300-600m, and 1.0% per annum on NAV above USD 600m.) Pursuant to the new agreement the Investment Manager will not be entitled to receive a performance fee but is entitled to receive a monthly management fee, paid in the manner set out as below:

- On the amount of the NAV of the Company below USD 300 million, of 1.75% per annum.;
- On the amount of the NAV of the Company between USD 300 million up to and including USD 600 million, 1.5% per annum.; and
- On the amount of the NAV of the Company that exceeds USD 600 million,1% per annum

From the period 1 July 2020 to 30 September 2020, the Company bought back and cancelled 246,538 ordinary shares.

At the end of August 2020, the Company decided to redeem the convertible bonds in A BA Business Solutions Corporation, a private company providing cold chain logistics in Vietnam. On 28 August 2020 the Investment Manager sent a letter to the issuer on behalf of the Company to ask for repayment. The deadline for the repayment of the convertible bonds is 27 November 2020.

The Board will shortly be seeking shareholder approval to conduct a tender offer for 15% of the Company's shares at a 2% discount to the prevailing NAV per share as at 30 October 2020.

Corporate Information

Alternative Performance Measures ("APMs") (unaudited)

Discount

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

		Page	As at 30 June 2020
NAV per ordinary share (in pence)	a	1	186.8
Ordinary share price (in pence)	b	1	154.0
Discount	(b÷a)-1	1	17.6%

Ongoing charges

Ongoing charges for the year ended 30 June 2020 have been calculated in accordance with the Association of Investment Companies (the "AIC") recommended methodology. The ongoing charges for the year ended 30 June 2020 were 2.48%.

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

		Page	As at 30 June 2020
Average NAV	a	1	131,101,877
Operating expenses	b	1	3,256,383
Ongoing charges figure (calculated using the AIC methodology)	(b÷a)	1	2.48%

(a) Average NAV

This is twelve monthly closing average NAV for the year ended 30 June 2020.

(b) Operating expenses

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

Total annual expenses	c	USD 3,359,888
Total One-off expenses	(d)	USD 103,505
Operating expenses	b	USD 3,256,383

Corporate Information continued

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

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