VIETNAM HOLDING

Annual Report - 2022

LSE-listed investment company focused solely on Vietnam: the fastest-growing economy in South East Asia. Invests in high-growth companies, focusing on domestic consumption, industrialisation and urbanisation.

Our Purpose

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

Our Vision

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

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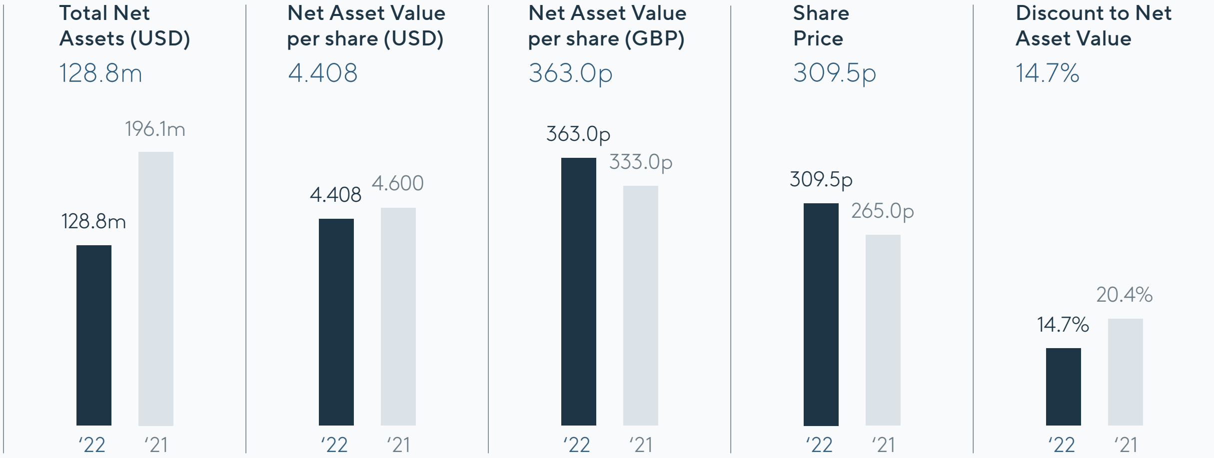
Highlights

Financial Highlights

- Successful tender offer in September 2021 returned USD 56.7m to participating shareholders
- Including tender offer, Net Asset Value ("NAV") decreased during the period by USD 67.3m to USD 128.8m
- NAV per share (USD) fell by 4.2% and NAV per share (GBP) rose by 9.0%
- Share price rose 16.7% during the year and the discount to NAV narrowed from 20.4% to 14.7%

Operational Highlights

- Fund is invested in 24 positions
- Top-ten positions account for 67.5% of the NAV
- Outperformed VNAS index on 1, 3, 5 and 10 years basis
- Estimated average carbon footprint of the portfolio is 67.5% lower than the VNAS index



As at 29 September 2022 (the latest available date before approval of the accounts), the discount to NAV had moved to 12.3%. The estimated NAV per share and mid-market share price at 29 September 2022 was 354.8p and 311.0p respectively.

Ongoing Charges

Ongoing charges for the year ended 30 June 2022 have been calculated in accordance with the Association of Investment Companies (the "AIC") recommended methodology. The ongoing charges for the year ended 30 June 2022 were 2.74%. Refer to page 70 for the definitions of Alternative Performance Measures ("APMs") together with how they have been calculated.

Year end 30 June 2022		USD
Average NAV	a	155,041,007
Operating expenses*	b	4,242,306
Ongoing charges	b/a	2.74%

*Operating expenses per the financial statements less non-recurring expenses of USD 9,788.

Company Overview

Focused Investment Approach

Portfolio of 24 positions with 67.5% in top-ten positions. The portfolio has a Price-to-earnings valuation of circa 10x and an Earnings growth forecast of circa 20% for 2023.

Investment Manager

DYNAM CAPITAL

Dynam Capital Ltd

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

What Dynam Does:

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

The Company

VIETNAM HOLDING

Vietnam Holding

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

What Vietnam Holding Does:

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

What Makes Us Different

Right Size for the Vietnam Equity Market

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

ESG in the DNA

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

Nimble Access Across Spectrum

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

Actively Managed Portfolio

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

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

Investment Policy
The Company attempts to achieve its investment objective by investing in the securities of publicly traded companies in Vietnam, and in the securities of foreign companies if a majority of their assets and/or operations are based in Vietnam. The Company may invest in equity securities or securities that have equity features, such as bonds that are convertible into equity.

The Company may invest in listed or unlisted securities, either on the Vietnamese stock exchanges, through purchases on the OTC Market, or through privately negotiated deals.

The Company may invest its available cash in the Vietnamese domestic bond market as well as in international bonds issued by Vietnamese entities.

The Company may utilise derivatives contracts for hedging purposes and for efficient portfolio management but will not utilise derivatives for investment purposes.

The Company does not intend to take control of any company or entity in which it has directly or indirectly invested (the "investee company") or to take an active management role in any such company. However Dynam Capital, Ltd. ("Dynam Capital"), (the "Investment Manager") may appoint one of its directors, employees or other appointees to join the board of an Investee Company and/or may provide certain forms of assistance to such company, subject to prior approval by the VNH Board.

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

The Company may invest:

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

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

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

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

Furthermore, based on the guidelines established by the United Nations Principles for Responsible Investment ("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

Dear Shareholder,

I am pleased to present the Annual Report for VietNam Holding Limited in yet another extraordinary twelve-month period ending 30 June 2022.

The Company's Total Assets were USD 129,177,449 at 30 June 2022, a decrease of 35.6% from USD 200,418,206 at 30 June 2021. This is partly due to the successful tender offer for 30% of the Company's shares in September 2021. Total Comprehensive loss was USD 7,719,310 compared with income of USD 100,153,888 in the corresponding period in 2021. Although the Company's Net Asset Value ("NAV") has declined in absolute numbers to USD 129m, the focus, active management, and nimble performance of the Investment Manager have led to a significant relative outperformance of 12.2% against the market as a whole. The Company also has outperformed most of its peers.

Vietnam's handling of the vaccination rollout in the first half of the financial year – July to December 2021 – was nothing short of remarkable. It went from a low-level number of vaccinations due to the lack of supply in April to a smooth distribution by December when some cities were almost 100% double vaccinated and by early 2022 more than 50% of the population were triple vaccinated. This was a direct effect of the 'living with COVID-19' approach taken by the government, in contrast with the 'zero-COVID-19' policies of China, which meant that strict quarantine restrictions could be lifted.

So, as two years of COVID-19 restrictions finally faded, Vietnam opened up its borders to international travellers in April this year. Later in June the Board met in person in Vietnam to meet with the research team of the Investment Manager, as well as visit a number of portfolio companies and other investors and market participants. It was good to be back in the exciting market of Vietnam and see first-hand the early signs of its strong post-COVID-19 recovery.

Although Russia's invasion of Ukraine on 24 February has disrupted the world significantly and added inflationary fuel to the fire in Europe and North America, the direct impact on Vietnam appears to be much less evident. To start, Vietnam's direct trade with Russia is less than 1% of total trade. That said, there are deep historical linkages with many Vietnamese entrepreneurs having 'cut their teeth' on business in Russia and Ukraine. There are also military ties, and the former USSR was a key supporter to Vietnam in the 1980s.

Inflation has been less of a direct issue for Vietnam especially since the country is only a modest importer of oil and gas and has a more diversified energy mix than many other Asian countries, for example, with hydropower, wind, and solar energy supplying close to 50% of the country's needs. The macro-economy of Vietnam is also robust compared to many other Emerging and Frontier markets and its GDP growth levels reported in June surprised on the upside as many other economies around the world shrank. Several banks have recently increased their full year GDP growth forecasts for Vietnam at close to 7%. With inflation forecast to reach 3.5% to 4.0% by year-end, there is real growth. Retail consumers are buying, and retail investors are waiting for better global news to return to the market. So, after almost two years of net-selling of public equities by foreign portfolio investors, there are signs signalling that the tide may be turning. The *Investment Manager's Report* includes more details on the outlook for both the market and the portfolio, explaining further how Vietnam certainly appears to be a market that can still deliver high earnings growth at reasonable valuations.

Discount

In the Interim Report issued six months ago we wrote about the narrowing discount between the Fund's share price and prevailing NAV. This time last year the discount hit 25% and has narrowed considerably since with the tender offer last September and the ongoing efforts of the Board in managing the discount through regular share buybacks, but also with the Investment Manager in delivering strong relative performance and an active investor relations program. In February 2022 it touched a low of 4.43%, and although that has widened to 14.7% at 30 June 2022, the discount has been the narrowest of three London listed investment trusts focussed on Vietnam for much of the last six months. At 29 September 2022, the discount was 12.3%.

Marketing

With the help of the Investment Manager, Dynam Capital – and despite travel restrictions imposed for much of the first half of the year – the Board has further developed the Company's marketing activity throughout the year to help narrow the discount, improve liquidity in the Company's shares, and widen our Shareholder base.

The Investment Manager has been actively promoting the Company and along with our broker and sales partners has organised roadshows, topical seminars, podcasts, and several webinars. It also presented at the Mello Event in May 2022 (returning after a two-year hiatus) where it was a delight to meet many investors in the Company face-to-face.

Our analysis shows that the marketing and communications efforts continue to bear fruit. We are delighted to see a greater number of wealth management platforms on the share register having also seen the overall mix of investors broaden considerably over recent years. The Company has also been proactively promoted through a wide range of media outlets, including video, audio, and online print media, and has been featured several times in publications, such as *Investors Chronicle*. The Investment Manager has maintained a strong social media presence for the Company as well. We welcome all Shareholders who may be reading this Annual Report for the first time and thank all existing holders for their ongoing support.

Share Buybacks

The Board has a mandate to authorise the purchase up to 14.99% of the Company's shares each year in the open market at prices below NAV per share, and this was renewed at the Annual General Meeting ("AGM") on 1 November 2021. In the year from 1 July 2021 to 30 June 2022, the Company bought back 661,084 shares (representing 2.3% of the shares outstanding at 1 July 2021) at a weighted average discount of 15.9%. This resulted in a 0.25% accretion to NAV per share. From September 2017, when the current Board was appointed, through until 30 June 2022, the Company has bought back 13.32 m shares at a weighted average discount of 15.4%. This represents a 2.8% accretion to NAV per share.

Tender Offers

From time to time the Board uses tender offers to provide a liquidity opportunity for investors in the Company. Last September Shareholders approved the Board's recommended tender offer for 30% of the Company's shares at a 2% discount to the prevailing NAV per share as at 31 August 2021.

Performance

In the twelve months to 30 June 2022 the Company's NAV per share declined by 4.36%, while the market as a whole, as measured by the Vietnam All Share Index, declined by 16.5%. In the first six months of the financial year the NAV per share rose by 14.1%, against an index rise of 10.6%, and in the second six months the Company's NAV declined by 16% versus the index, which fell by more than 24%. At 30 June the Company has outperformed the VNAS on 1, 3, 5 and 10-year measures.

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

Responsible Investing and Sustainability Reporting

The Investment Manager and the Board have been committed to responsible investing and a joined-up approach to environmental, social and governance ("ESG") years before the mainstream global investing community took up the challenge. The Company has been a signatory to the United Nations' Principles on Responsible Investing ("UNPRI") since 2009. Although the UNPRI itself has been restructuring its reporting platform, the Company received five-star scores for its 2021 UNPRI report and we continue to contribute to responsible investing in Vietnam in a meaningful way. We have been measuring the carbon footprint of both the Company and the portfolio for several years, and this year's findings are in the *Sustainability Report*. The highlights are that the Company has a lower estimated carbon footprint than the index while continuing to out-perform the index. During the year the Investment Manager hosted a webinar for 50 companies in Vietnam about the steps needed to increase the accuracy of carbon-footprint reporting, and we have been encouraging our portfolio companies to raise the bar in their own ESG initiatives.

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

Hiroshi Funaki
Chairman
VietNam Holding Limited
30 September 2022

Investment Manager's Report

Vu Quang Thinh CIO and Managing Director

Craig Martin Chairman and Managing Director

This year marks the 16th anniversary of the Company and its listing in London[1] - the Company is just four years younger than Vietnam's stock market.

Strong Outperformance

The interim report as of 31 December 2021 characterised the last six months of the year as a period of resilience and divergence. During the first six months of the financial year to 31 December 2021, the NAV per share rose by 14.1%, ahead of the Vietnam All Share Index ("VNAS") gain of 10.6%. Throughout the second half of the financial year, the equity markets themselves were divergent from the resilient macro-economic position and we saw the Vietnam market fell by 24.5% in line with the sell-off in global markets while the Company's NAV per share fell by 16.0%. As at 30 June 2022, the NAV per share declined by 4.2% for the full financial year, in contrast with the 99% increase in NAV per share we reported for the previous financial year. Nevertheless, the Company continues to outperform its peers, and has also outperformed the VNAS on a 1, 3, 5 and 10-year basis. During the financial year the Company's share price rose 16.8%, significantly ahead of its much larger peers: Vietnam Opportunity Fund, VOF, which rose by 1.1% and Vietnam Enterprise and Investment Limited, VEIL, which fell by 3.4%. This is due to a combination of higher NAV per share performance and narrower discount between the share price and the NAV.

High Conviction Portfolio

The Company maintains a high-conviction portfolio concentrated in 24 positions, with its top-ten positions making up 67.5% of NAV. The largest position, FPT Corporation, FPT, which is 11.5% of NAV, is the country's leading IT and telecoms services company. It rose by 19.9% as it continues to see significant traction in its domestic and overseas business. Mobile World, MWG, which is 9.2% of NAV, is a leading omni-channel retailer. It rose by 42.7% as it strengthened its position as one of the country's largest e-commerce players and started to reposition and streamline its grocery business. Gemadept ("GMD"), which is 8.5% of NAV and the largest port operator in Vietnam rose by 23.9% as it experienced strong growth in volumes and profit from its new deep-water container port. Phu Nhuan Jewelry, PNJ, is 8.1% of NAV and the leading branded jewellery retailer and gold wholesaler in Vietnam. It rose 30.5% and delivered 56.5% revenue growth and 48.0% profit growth in the second half of the financial year, as people resumed their retail lives with renewed vigour after the tough lockdown of 2021. Although we pivoted to an underweight position in banks in this financial year, taking profit after last year's stellar performance, there are still four banks in our top-ten, and the largest, Sacombank, STB, 5.6% of NAV, was down 29.7% but continues to deliver strong core profit growth on a very undemanding valuation of 1.1x price to book. See *Top Five Portfolio Companies* on pages 16 to 20 for more information. Overall, 14 of our 24 positions increased in value and 10 decreased.

Post-COVID-19 Recovery

During the first part of the financial year Vietnam experienced strict lockdowns and quarantine measures in the battle against the COVID-19 Delta variant. From a near-standing start last year, Vietnam succeeded in rolling out a rapid vaccination program that saw close to 100% of some city dwellers and 90% of the entire adult population receive two vaccinations. This enabled the government to relax COVID-19 restrictions in April 2022 and then remove them entirely in May, which led to a resurgence in the economy. In the last quarter of the Company's financial year, April to June, Vietnam posted a staggering 7.7% YoY GDP growth, exceeding expectations and ranking significantly higher than other nations around the world including in the G20 area which rose by only 0.7%[2]. Vietnam's continued 'broad-based recovery' post-

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

[2] Source: OECD Report

COVID-19 has led some international financial institutions to upgrade their growth forecasts for it for the rest of 2022 as different sectors in the country regain pre-pandemic momentum. Both HSBC and Singapore-based United Overseas Bank, for example, recently raised their Vietnam growth forecasts for 2022 to 6.9% from 6.6% and 7.0% from 6.5%, respectively, according to the banks' market reports[3].

Vietnam's growth this year is noteworthy given record rising inflation and other unprecedented disruptions affecting trade and investment worldwide. Despite today's intense global risk landscape, the country's manufacturing sector managed to expand for the ninth consecutive month in June. In addition, new orders rose further and production capacity continued to improve. Disbursed FDI also hit record highs during the first half of 2022 reaching USD 2.9bn in June, the highest monthly amount this year. Looking ahead, as Vietnam's handling of the pandemic pays off, we expect the full reopening of economic activities to continue to boost investment initiatives and feasibility assessments for new projects in the second half of 2022.

Rise of the Retail Investor

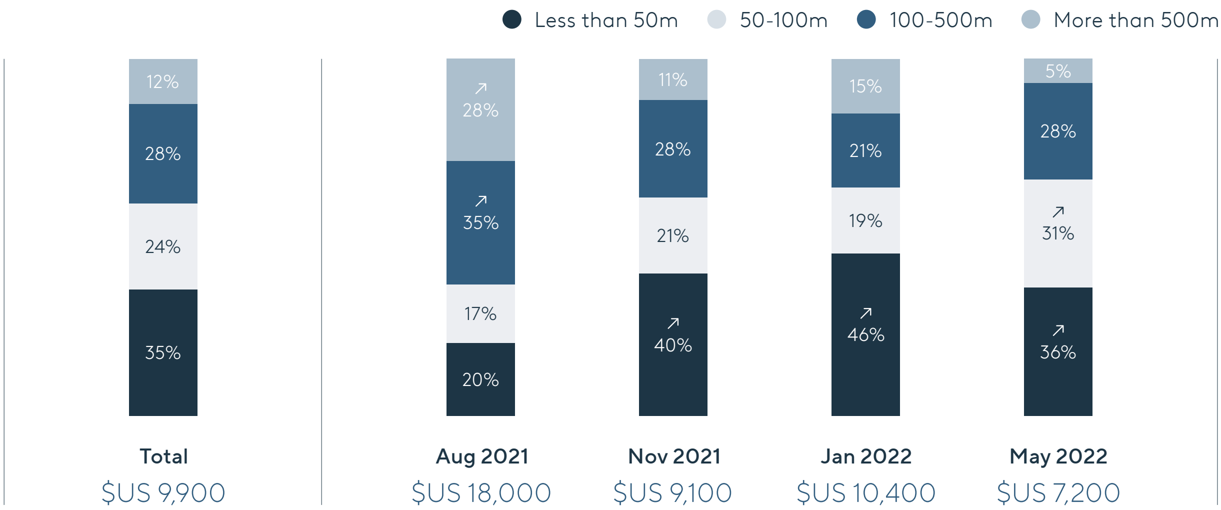
As we reported in the Interim Report, as part of our rigorous market analysis, in 2021 we commissioned an independent research firm to conduct a first of its kind survey on the sentiment and behaviour of the growing retail investment base in Vietnam. This emerged as the driving force of the equity market in Vietnam over the pandemic years, as digitalisation of the onboarding process for domestic investors, 'e-KYC', enabled close to 1.2 million Vietnamese to open trading accounts during the calendar year. In the first half of 2022 a further 1.8 million domestic accounts have been opened. In May alone 476,000 accounts were opened, the highest number in the stock market's 20-year history.

In May 2022, we launched the fourth and final phase of the survey. 70% of the survey's fourth phase respondents in May 2022 were F1+ investors – investors who started trading a year before the survey's launch. The remaining 30% were F0 investors, those who started trading within the past 12 months. Most respondents throughout the four phases were white-collar office workers based in Hanoi or Ho Chi Minh City with an average individual monthly income of roughly USD 1,000. Interestingly, in the fourth part of the survey we found that the average amount invested in stocks dropped by USD 2,000 lower than the USD 9,900 average recorded over the previous 10 months, and about 30% lower than the start of 2022. This corresponds to the 30% drop in average daily trading volumes seen across the Ho Chi Minh City ("HOSE") stock exchange over the last six months.

Investment Portfolio | Average Portfolio Value Decreasing

The portfolio value of investors shows a declining trend after 4 rounds of survey, with the proportion of 'Less than 50M' portfolio increasing, while shares of portfolio over 100M, especially over 500M value drop quickly in latter waves.

What's the approximate value of your actual stock investment?



[3]*Source: https://en.baochinhphu.vn/hsbc-upgrades-viet-nams-gdp-forecast-to-69-in-2022-111220706162459626.htm https://www.uobgroup.com/web-resources/uobgroup/pdf/research/QGO-3Q2022.pdf*

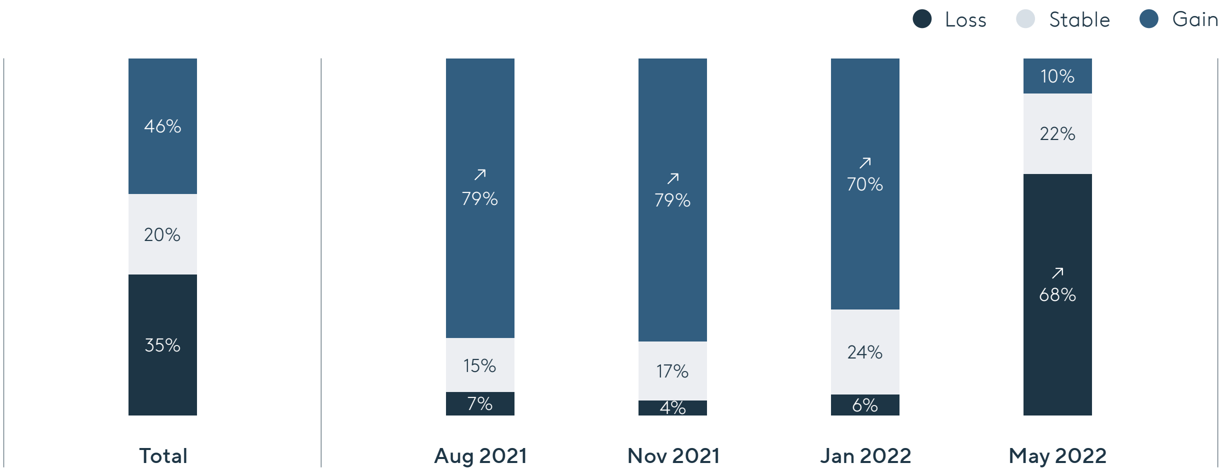
Investment Manager's Report (continued)

Rise of the Retail Investor (continued)

Market Trends

During the first three surveys, 70-80% of investors had recorded gains; in the last survey most were nursing losses.

In general, how much of your portfolio changed since Jan 2021 / 2022?



The global and local decline in equity prices over the last six months has muted investor confidence in several sectors, including banking, insurance, building materials, logistics, transportation, petroleum and oil, real estate, and securities. The retail investors' view of securities is particularly gloomy with just 7% of respondents considering investment in securities, compared to a much higher 47% in August 2021. This trend can be linked to a string of recent high-profile scandals involving real estate corporations and stock market manipulation, along with tightened capital controls on the real estate sector.

Many of the new investors are possibly waiting on the side-lines, and perhaps waiting for clearer direction signals from the global economy with 42% of recent respondents sharing that they are waiting to invest further compared to just 19% in the first survey back in August 2021.

Nevertheless, despite these fluctuations, investors remain upbeat about their returns after one year of investing. Across the four surveys, more than 40% of respondents expect returns of between 11% - 20% and close to 40% expect returns of 20% -50%. When it comes to deciding whether to invest, estimation from market value and market index trends were the two most important sources across the surveys, with analysis from securities companies and company financial statements also frequently used. One constant across the four surveys is the high frequency with which investors check the stock market index. Over 80% of respondents said they check the market at least daily and many check it several times per day.

What is clear from these surveys is that regardless of the market fluctuations in Vietnam's stock market, retail investors will remain a key source of market movement.

Liquidity

Eighteen months ago, the HOSE infrastructure struggled to cope with orders beyond USD 700m a day. Quick fixes to the system and some interim software upgrades expanded the capacity, and due to the rise of the retail investor (see "*Rise of the Retail investor*") above daily volumes surged to more than USD 1.3bn, five times the levels of 2019. The HOSE infrastructure is now in the process of being totally revamped, with faster settlement and greater capacity coming ever closer.

Increased market liquidity in 2021 facilitated swift funding for last year's tender offer for 30% of the Company's shares. Despite a 30% reduction in daily liquidity over the last few months of the financial year, the portfolio liquidity remains robust and 90% of the portfolio could be liquidated in less than 30 days.

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

The Fund is 70% invested in Large Cap stocks, above USD

1bn in market capitalisation, and these have outperformed the small and mid-cap stocks for much of the year. Last year we noted an interesting inversion in the relative valuations of smaller stocks, driven in part by increased attention from the growing domestic retail investor base. Three years ago, the smaller cap stocks, as measured by the VN70 index, traded at a P/E ratio level around 30% lower than the larger cap stocks, as measured by the VN30 index. During 2021 the ratio inverted with the VN70 stocks trading at a 30% premium to the VN30 index in March 2021. In the year ended 30 June 2022, the ratio has inverted once more, with the mid and small-caps sold off and now trading at a discount to the larger-caps.

As of 30 June, the portfolio has about 6% in cash, which is slightly higher than the usual 2%-3%, but provides some flexibility in taking advantage of what we see as undemanding valuations for companies that we know well. Although the Fund's investment policy does allow up to 20% of the assets to be invested in unlisted or pre-IPO 'Private Equity' type deals, the Fund is currently only invested in listed securities and all are valued as 'Level 1' refer to the *Fair Value Information* in note 12 of the financial statements pages 67 to 68. We see this as a reflection of the opportunity set now and believe liquidity has a premium that is not always reflected in the pricing of private deals. Lastly, we are aware that the Fund has a formal continuation vote in 2023, and we wouldn't want to set false expectations in the minds of potential investee companies, nor do Board or shareholders in the Company wish the disservice by tying their hands to a significant illiquid position should the continuation vote not pass.

Resilient Macro

Resilience in the face of adverse conditions is an ongoing theme in Vietnam. Not only did Vietnam maintain an enviable level of economic GDP growth of approximately 3% per annum through the pandemic years, but also economic growth has resumed to pre-pandemic levels quickly. Vietnam has seen resilient Foreign Direct Investment ("FDI") disbursement, USD 19.7bn in 2021 and USD 10.6bn for the first six months of 2022. Vietnam has remained a very open economy, and its overall trade reached more than USD 668bn in 2021, representing more than 200% of GDP – levels seen by only a few countries globally. The country has maintained its strong export growth during the first half of 2022, increasing by 17% year-on-year, and although import growth was 16% year-on-year, the country managed to generate a Trade Surplus of USD 710m. Retail sales also have recovered strongly from the lows of the pandemic period, and in June 2022 were 27% higher than the previous year. The country now has foreign reserves of more than USD 100bn. This is down 10% in the first half of 2022 as the State Bank of Vietnam has intervened in the foreign-exchange market to provide some stability. It is worth noting that the Vietnam Dong has been relatively stable against the USD over the last five years, particularly when contrasted against some other regional currencies (see "*Figure 1.1*" below). However, in the first half of 2022 as the USD strengthened, the Vietnam Dong weakened by 2.6%. This should be looked at in the light of much sharper declines in several global currencies including the 'safe-haven' Yen, which has fallen by 20%, and the Euro and Sterling, which are both down by about 10%. Often, a weakening currency can have inflationary pressures, however, Vietnam runs a USD 40bn trade surplus with the US (a strengthening currency), a USD 28bn trade deficit with China (whose currency has weakened by 3.3% against the USD) and a USD 18bn trade deficit with South Korea (whose currency has weakened by 7% against the USD), so in this regard there is some natural hedging. On a broader front, inflation is increasing in Vietnam and Core CPI rose to 2% year-on-year in June 2022 (see "*Figure 1.2*" below). That said, inflation is not at the worrying levels seen in the US, UK and Europe, in part due to the different driving forces in the economy (see "*Figure 1.3*" below). An important differentiating factor between Vietnam and some other emerging economies is in the energy mix. Vietnam's domestic renewable sources of energy – hydropower, solar and wind – account for about 43% of its energy generation. It also has some domestic sources of Oil, Gas and Coal, however it is a net importer of each of these sources of hydrocarbon.

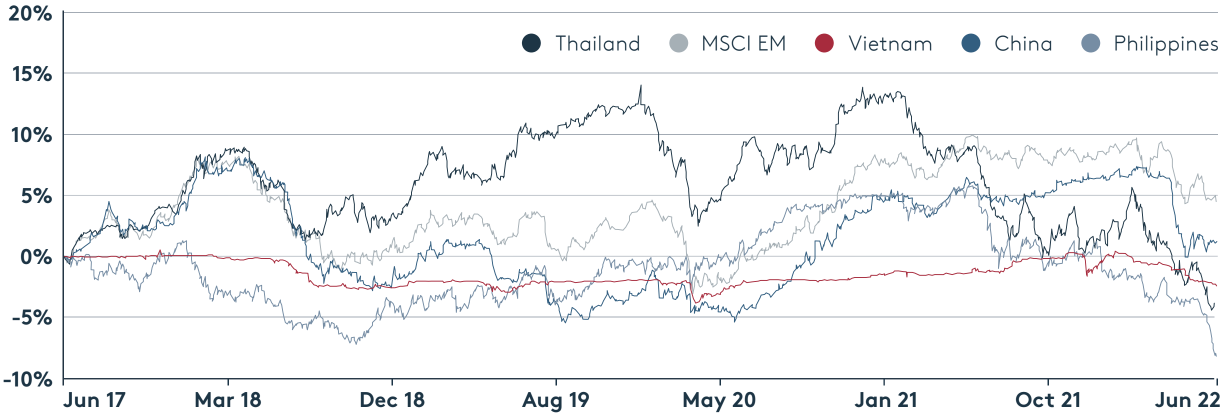


Figure 1.1: The Vietnam Dong has been relatively stable against the US Dollar over the past 5 years

Investment Manager's Report (continued)

Resilient Macro (continued)

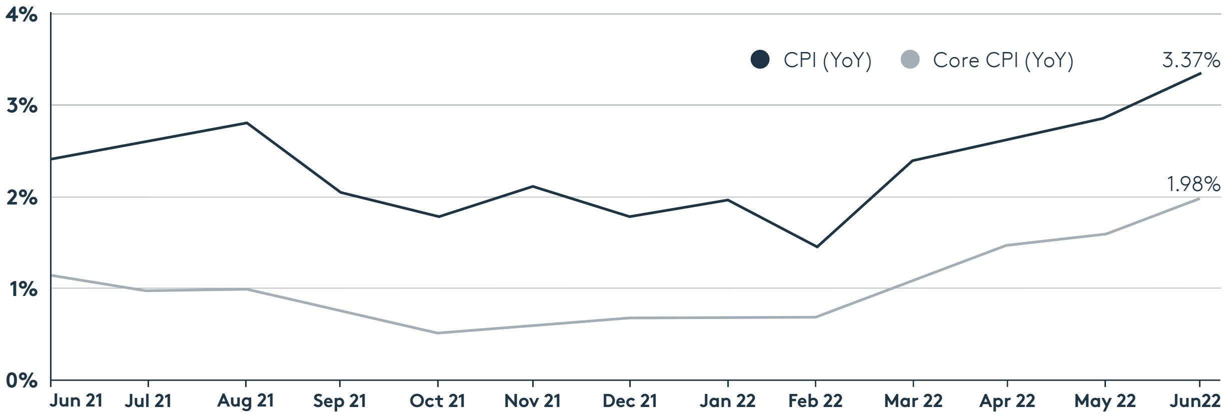


Figure 1.2: Inflation is picking up in Vietnam, but is still at manageable levels

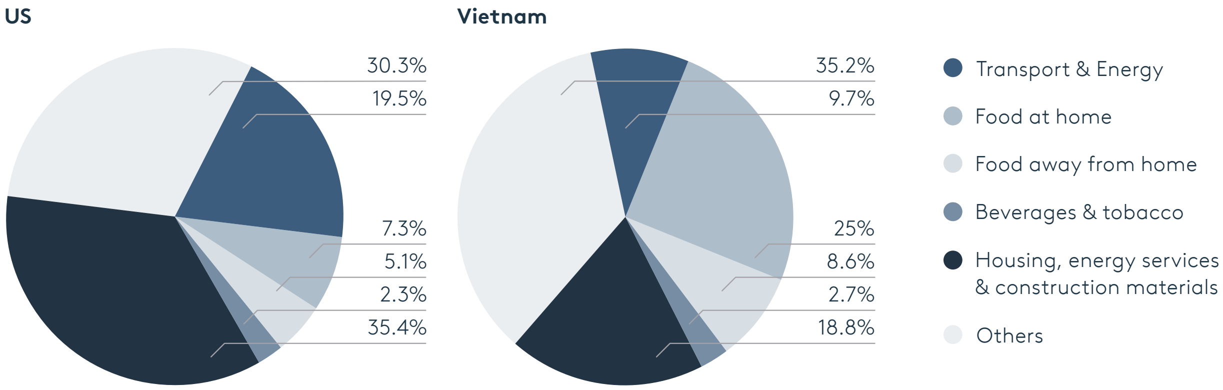


Figure 1.3: Vietnam is still an emerging economy, with different components to its consumer price index

Responsible Investing

The Company is firmly focused on sustainability and has placed environmental, social and governance ("ESG") principles at the heart of its investment criteria for over a decade, having become an early signatory to the United Nations Principles for Responsible Investing ("PRI") in 2009. The Company received top grades in the report in 2020, the most recent year for which scores have been published by PRI.

Each part of ESG is equally important. For Vietnam, the 'S' has been at work in its society for many decades and the pandemic has further focused the efforts of several of our portfolio companies on harmonising staff, shareholders and society at large. 'G' has been a key pillar for VNH's investment approach and we have been at the forefront of advocacy and training for corporate governance at our investee companies since we were formed 16 years ago. Our CEO, Vu Quang Thinh, is a co-founder and member of the board of the Vietnam Institute of Directors ("VIOD"), working as a lecturer for VIOD courses and at other institutions about how to improve corporate governance standards in Vietnam. We actively encourage our portfolio companies to give more attention to investor relations and transparent reporting and have also been advising some of them specifically on how to get the balance right in aligning interests between staff and shareholders through the structure and implementation of employee share option plans. The 'E' aspect of ESG has rightly so taken centre stage in many investors' minds as well as those of many Vietnamese. On the climate front, the Investment Manager and the Company have both affirmed the Paris Agreement and our commitment to the Task Force for Climate-related Financial Disclosure. Dynam Capital has also joined the Asia Investor Group on Climate Change ("AIGCC") and intends to contribute more to the advocacy of climate risk reporting. More details of this can be found in the *Sustainability Report*.

Positioning and Core Themes

During the year, we sold 11 positions and added new 12 positions. We exited a few smaller companies and selectively added to our positions in larger companies, taking profit from a portion of our portfolio of banks, which had risen by close to 100% in the previous year, and taking profit from Hoa Phat Group, a leading steel maker which had also doubled in value the previous year.

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

Industrialisation

Vietnam's pace of industrialisation continues to progress as it has done dramatically over the past three decades. Last year, Vietnam overtook Bangladesh to become the second largest garment producer in the world. It is also very well-known as a major producer of footwear, furniture, agriculture, and aquaculture, and less well-known but an increasingly key supplier of hi-tech hardware and software to customers around the world. Recently on a visit to the US, the Vietnamese Prime Minister met with the CEOs of several large global technology companies, including Apple and Intel, who re-affirmed their plans to produce more goods in Vietnam. Although Apple does not have its own facilities in the country, it is umbilically linked to 35 key manufacturers who are present. Following the PM's visit, Apple announced it was moving more production, including the assembly of iPads, to Vietnam.

Although in the past we have invested in manufacturers, including garment companies and seafood producers, we have chosen to obtain most of the exposure to these themes during the past year through the business-to-business 'linkages', mainly through industrial parks and logistic companies. These typically have a higher quality of earnings and higher return on equity than the individual exporters. A core holding in this area is the leading shipping company Gemadept ("GMD"), which at 8.5% NAV is the third largest position.

Urbanisation

Despite delays in domestic infrastructure expenditure (the 2022 disbursement level is behind plan) and delays to Vietnam's metro systems becoming operational (the HCMC metro is likely delayed by a further year until 2023) – the pace of urbanisation is a fast one. Vietnam's urbanisation level in 2018 was about 36%, the level of Western Europe in 1945. According to a forecast[1], its urban population is expected to reach 44% by 2030. We have written in previous reports about the multiplier effect of investments in domestic infrastructure. In May 2022, a new bridge across Ho Chi Minh City's Saigon River was opened, and a short drive or walk across it connects down-town District 1 to the Thu Thiem peninsular, a region already demarcated to be a new 'metropolis'. Developments like this can lead to a dramatic growth in the build-out of commercial and residential real-estate. The Company has 14.9% exposure to the dynamic real-estate market through its real-estate portfolio that includes 5.4% of NAV in Khang Dien House.

Domestic Consumerism

Vietnam's 'middle income' population is projected to expand at a rate of 18%[2] annually, adding a further 35 million people to this group of consumers by 2030. The nature of the consumer continues to evolve. In the 1990s, for a brand to be really successful it had to be foreign and manufactured overseas. By the 2000s, locally manufactured global brands continue to dominate, however, several niche local brands developed locally and owned by Vietnamese businesses in sectors ranging from shampoos, soft drinks, sauces and condiments to baked goods and coffee started to garner strong local appeal. In a recent survey, it appears that in the 2020s Vietnamese consumers now prefer and trust home-grown brands over foreign brands.

The portfolio has approximately 17.8% exposure to the domestic retail sector, including PNJ, 8.1% of NAV, and Mobile World Group ("MWG"), 9.2% of NAV. The physical retail components of both these companies will be impacted by prolonged lockdowns, however, the digital online portions of these businesses are performing extremely well. These well-managed businesses have emerged from the pandemic with greater market share, and in the case of PNJ are seeing same store growth and new store growth at levels higher than pre-pandemic.

Banks

VNH's allocation to banks was reduced from 31% at 30 June 2021 to 22% at 30 June 2022. Our underweight position, the index is at 33%, was due to profit-taking in the sector in the second half of 2021 following the significant gains booked in the previous financial year. Vietnamese Banks are still benefitting from resilient Net Interest Margins ("NIM"), though they face controls on credit growth by the State Bank of Vietnam ("SBV") which issues a 'quota'. Key portfolio names in the portfolio include Sacombank, 5.3% of NAV; MBB, 5.3% of NAV; VP Bank, 4.6% of NAV; ACB, 2.8% of NAV; and Vietin Bank ("CTG"), 2.4% of NAV.

[1] *https://population.un.org/wup/Publications/Files/WUP2018-Highlights.pdf*
[2] *http://vids.mpi.gov.vn/Includes/NewsDetail/12_2016 dt_11220161027_9781464808241.pdf*

Investment Manager's Report (continued)

Outlook

As we move into the second half of 2022, the global mood remains weak. Although recessionary risks remain less severe for Asia than the West, a global recession would hit Vietnam's export growth in 2023 and we will be watching the implications closely, including how policy directions and actions unfold. Trade is key to Vietnam's economy, especially given its more prominent place on the global supply chain map – the country posted a trade surplus of over USD 700m in the first six months of 2022. A global recession would not only weigh in on the country's impressive exports and production growth but could also impact its banking sector. On the positive front, the domestic economy may benefit from an increased amount of government spending on infrastructure, which has been under-budget in the first half of 2022. Infrastructure expenditure has a multiplier effect on economic growth, including accelerating the pace of urbanisation, and leading to a growth in real-estate development and the growth in modern trade. Agile policy making will be as important as ever. As the IMF recently reported[1] Vietnam's handling of the pandemic and associated risks helped the country get through the last two years, particularly its remarkable vaccination rollout, so with rising retail sales, improving industrial production, and increasing foreign investment, there's a lot to consider when it comes to Vietnam's monetary policy and economic growth as the world evolves.

There are encouraging signs in the rebound and growth of domestic tourism in Vietnam, with 60 million trips made in the first half of 2022, 40% higher than the number made pre-pandemic[2]. In May the remaining restrictions and protocols put in place because of COVID-19 were lifted, and international visitors started to return. As the Chairman mentioned in his Statement, the Board of the Company were able to visit the team in Vietnam in June and see the post-COVID-19 recovery for themselves.

North Asia has historically been a key source of international tourism for Vietnam, and many of those countries are still imposing restrictions on travel for their residents, particularly China, Taiwan, and Japan. We expect people in the region would like their travel habits to normalise, though increased costs of international flights, disruptions at airports, and rapid growth in demand will bring about their own issues on the industry.

Many emerging and frontier markets are facing extremely testing times, mostly because of imported inflation and supply chain disruptions. This can flow into the lives of populations in other ways as unrest forces changes in governments, although developing countries do not have a monopoly on this behaviour. *The Economist*[3] listed the countries that are most at risk, and Vietnam was not among them. Vietnam is still growing at high levels – back on its 30-year trend of 6.5 to 7% GDP growth. While inflation will increase, the forecast levels of approximately 4% do not look likely to cause financial distress.

The war in Ukraine has obviously had a horrific direct impact in the lives of millions of its citizens through loss of life, loss of home and livelihood. The shadows of war have stretched further as the loss of Ukraine's grains and fertiliser exports stress global food supply, and curtailment of Russian gas could threaten Europe's energy security, particularly once the 40-degree Celsius summer fades into memory. One consequence of this is the possibility that European countries will reduce their energy consumption, leading perhaps to a change in consumer and industrial demand and possibly favouring importing finished products with cheaper overseas energy cost 'baked-in' rather than intermediate goods that need energy-intensive processing. Another consequence is that countries, such as Germany that have typically favoured renewable energy sources, will be forced to turn on more coal fired power stations. This will add fossil-fuel to the fire smouldering in some people's minds that COP-26's pledges of 'Net-Zero by 2050' were unrealistic.

There is also an undercurrent of backlash against the emergence of ESG themed investments and sustainability-linked investment policies. This began as some concerns were raised on 'Green-Washing' by certain global asset managers but may also have found resonance with certain industry leaders who question whether a CEO should 'play God' in relation to moral and ethical considerations related to finance. There is a danger that the baby is thrown out with the bathwater, even at such an early stage of greater awareness of ESG, and particularly the climate aspects, as parts of the world face unprecedented and dangerously high daily temperatures. The Investment Manager is of the opinion that responsible investing matters even more during these times of global uncertainty. The Company has been a signatory to the United Nations Principles for Responsible Investing for over 12 years, three quarters of its life so far, and has set itself the task of 'Doing More, Measuring More and Reporting More' on ESG issues. In 2021 the Fund's Board pledged its own allegiance to the Paris Agreement and commitment to the TCFD in addition to becoming a member of the Asia Investor Group for Climate Change ("AIGCC"). The portfolio's carbon footprint is also 60% lower than the VNAS index. This has been a result of the Fund's active management style in sector allocation

[1] Source: https://www.imf.org/en/News/Articles/2021/03/09/na031021-vietnam-successfully-navigating-the-pandemic.

[2] Source: https://vietnamtourism.gov.vn/en/post/17504

[3] Source: https://www.economist.com/emerging-market-indicators/2004/02/12/country-risk

and selection of best-in-class companies. We report on our enhanced work related to the climate aspects of the portfolio in the *Sustainability Report*.

As mentioned in last year's annual report, while our focus remains on industrialisation, urbanisation, and domestic consumption, we also will be eyeing emerging themes coming out of the pandemic. We are seeing, rapid moves in digital transformation in Vietnam and are adding to our 'category killer' stocks with 'rising stars' that may be beneficiaries of further digital initiatives. Some of these include retailers focussing on digital consumer electronic lifestyle products and services, and some are part of the infrastructure for 5G and other technological developments. Our aim is to position the portfolio for growth within a three to five-year investment horizon. As always, this means looking through short-term noises and volatility in search of longer-term value derived from robust compounding growth of well-managed companies with proven sustainable business strategies.

Investment Manager's Report (continued)

Ten Companies by NAV as at 30 June 2022 (and as at 30 June 2021)

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

Top 10 companies as at 30 June 2021	Sector	% NAV
FPT Corporation	Telecommunications	11.0%
Vietin Bank	Banks	9.6%
Hoa Phat Group JSC	Industrial Goods & Services	9.4%
VP Bank	Banks	7.3%
Military Commercial Bank JSC	Banks	6.4%
Vinhomes	Real Estate	6.1%
Mobile World Investment Corp	Retail	5.0%
Phu Nhuan Jewelry JSC	Retail	4.9%
Khang Dien House	Real Estate	4.6%
Sacombank	Banks	4.5%
Total		**68.8%**

Dynam Capital, Ltd
30 September 2022

Top Five Portfolio Companies

FPT Corp ("FPT")

As at 30 June 2022

VietNam Holding's investment

Date of first investment	10 December 2012
Ownership	0.4%
Percentage of NAV	11.5%
Internal rate of return (annualised)	26.6%

Share information

Stock Exchange	HOSE
Date of listing	13 December 2006
Market capitalisation (USD million)	4,062
Free float	84.4%
Foreign ownership	49%

Financial indicators (as at 31 December)	**2021**	**2020**
Capital (USD million)	390.1	339.6
Revenue (USD million)	1,533.2	1,292.3
EBIT (USD million)	232.8	199.5
NPAT (USD million)	229.9	191.6
Diluted EPS (VND)	4,349	4,120
Revenue growth	18.6%	7.6%
NPAT growth	20.0%	13.1%
Gross margin	38.2%	39.6%
EBIT margin	15.2%	15.4%
ROE	26.7%	25.0%
D/E	0.94	0.68

About the Company

Founded in 1988, FPT is a software developer that provides of a range of IT and telecom services, including broadband internet. As it is also a brand-name distributor and retailer of IT and communication products, the company has held the leading position in the local IT industry in Vietnam since 1996 and has been applauded for its educational programs, which offer learning activities spanning various levels for more than 74,313 people.

With 178 offices and branches across 26 countries, as of the end of 2021, FPT has transformed itself from an IT services company to an end-to-end digital transformation service provider. Its digital transformation services' revenue reached a record USD 237m in 2021. The company also owns telecoms infrastructure with a main North-South link, which has recently been upgraded from copper wires to fiber-optic cables, and today continues to focus on expanding its overseas markets.

As of 31 December 2021, FPT was managing seven subsidiaries and 37,180 employees, including 24,068 engineers and technology experts.

Recent Developments

Despite Vietnam's 2021 Covid-19 lockdown, FPT still managed to post a strong financial performance with revenue and profit after tax of USD 1,533.2m and USD 229.9m, a growth of 18.6% and 20.0% YoY, respectively.

Technology sectors are the main contributor to its revenue and profit before tax with the share of 58% and 44%, respectively. Specifically, the global IT services segment remains the key driver of FPT's performance, and the US market has shown a particularly strong result with revenue growth reaching 52% in 2021. Additionally, the newer revenue stream from Digital Transformation services increased by 72% in 2021 – the highest rise in the last four years.

Sustainability Strategy

FPT has developed a sustainable development orientation strategy to ensure the balance of three factors: economic development, community support, and environmental protection. In terms of objectives and activities, FPT referred to Vietnam's action plan to implement the 2030 commitments for sustainable development and GRI Sustainability Reporting Standards. In 2021, FPT deployed the digital vaccination program – FPT eCovax – helping enterprises ensure business continuity during the pandemic. FPT also spent VND 69.5bn on activities to support Covid-19 prevention.

ESG Achievements

FPT places a strong focus on sustainability and has identified eight of the UN's Sustainable Development Goals ("SDGs") that the company can most directly engage with: Quality Education; Gender Equality; Affordable And Clean Energy; Decent Work And Economic Growth; Industry, Innovation, and Infrastructure; Responsible Consumption And Production; Climate Action And Partnerships For The Goals.

In 2022, FPT published its very first environmental, social and governance ("ESG") report for the year 2021, further affirming the company's commitment to help investors, shareholders and other stakeholders access transparent information on its activities. FPT has improved its gender equality in the workplace by increasing the number of female managers and employees by 17.5% and 21.4% respectively. The company was also highly recognised for its contribution to Covid-19 relief in Vietnam by opening the Hope Boarding School for children orphaned during the pandemic.

ESG Challenges

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

Top Five Portfolio Companies (continued)

MWG JSC ("MWG")

As at 30 June 2022

VietNam Holding's investment

Date of first investment	11 September 2017
Ownership	0.3%
Percentage of NAV	9.2%
Internal rate of return (annualised)	13.5%

Share information

Stock Exchange	HOSE
Date of listing	14 July 2014
Market capitalisation (USD million)	4,495
Free float	76.5%
Foreign ownership	49%

Financial indicators (as at 31 December)	**2021**	**2020**
Capital (USD million)	306.5	196.3
Revenue (USD million)	5,285.1	4,702.5
EBIT (USD million)	253.4	226.0
NPAT (USD million)	210.7	169.8
Diluted EPS (VND)	6,897	5,676
Revenue growth	12.4%	6.7%
NPAT growth	24.1%	2.6%
Gross margin	22.5%	22.1%
EBIT margin	4.8%	4.8%
ROE	27.3%	28.4%
D/E	1.21	1.08

About the Company

Established in 2004 with only one mobile phone store in Ho Chi Minh City, MWG grew rapidly on the back of private equity involvement prior to its listing in the middle of 2014.

As of December 2021, MWG owned 5,306, stores under six brand names. These include: The Gioi Di Dong, mobile phone retail chain; Dien May Xanh, consumer electronics retail chain; Bach Hoa Xanh, grocery retail chain; Topzone, an Apple Authorized Reseller model; Bluetronics, consumer electronics retail chain in Cambodia; and An Khang, pharmaceutical retail chain. In 2021, MWG upheld its position as the largest retailer in Vietnam with USD 5.3bn in revenue and USD 210.7m in net profit. As of May 2022 per its management, MWG had a 60% share of the domestic mobile phone market, a 50% share in the consumer electronics market, and a vision to occupy a 10% share in the USD 60bn grocery market over the next few years.

As of 31 December 2021, MWG owned ten subsidiaries and employed 74,111 people.

Recent Developments

In 2021, MWG posted net revenue of USD 5,285m and net profit after tax of USD 210.7m, a growth of 12.4% and 24.1% YoY, respectively. Despite the Delta outbreak, which led to the lockdown of Ho Chi Minh City in the third quarter 2021, the Dien May Xanh chain continued on as the key growth engine of the Company.

In addition, grocery chain Bach Hoa Xanh witnessed a 33% growth in revenue, thanks largely to the opening of 233 stores in 2H2020 and 387 in 2021. However, as the same-store sales growth is flat for 2021 it remains loss-making for the year as a whole. Nonetheless, the company has been remodeling its store layout and operational structure, and there are early signs of improvement in the first six months of 2022 with an expectation of a break-even point by December 2022.

Sustainability Strategy

MWG's sustainable development strategy puts its employees as the first priority, followed by customers and then shareholders. The performance-linked ESOP programs of MWG has helped retain talented people in the company for several years and has motivated some of the company's ambitious top managers to seek penetration into new market segments. The company has a strong focus on internal training and has 44 trainers conducting monthly courses for its staff. In 2021, the average training time per MWG employee reached 29.5 hours with an average satisfaction level of an impressive 97.4% for these internal training courses.

ESG Achievements

MWG has made significant progress in its ESG activities by improving its Board structure, estimating and reporting its total carbon emissions, and applying relevant energy-saving solutions across its chain of stores. The company also disclosed more social and environmental indicators in its 2021 annual report. In addition, MWG received an HR award from Anphabe for best working places.

ESG Challenges

As many retailers in Vietnam are starting to build their brands around sustainability concepts, MWG needs to be more receptive to this trend and operate their store chains in a more eco-friendly manner, including encouraging customers to reduce the volume of single-use plastic bags. The company also needs to apply the GRI standards in its sustainability report.

GMD JSC ("GMD")

As at 30 June 2022

VietNam Holding's investment

Date of first investment	16 August 2019
Ownership	1.6%
Percentage of NAV	8.5%
Internal rate of return (annualised)	35.2%

Share information

Stock Exchange	HOSE
Date of listing	06 May 2002
Market capitalisation (USD million)	673
Free float	95.9%
Foreign ownership	46%

Financial indicators (as at 31 December)	**2021**	**2020**
Capital (USD million)	129.5	130.6
Revenue (USD million)	137.8	112.9
EBIT (USD million)	29.8	20.4
NPAT (USD million)	31.0	19.1
Diluted EPS (VND)	1,869	1,149
Revenue growth	22.1%	-1.0%
NPAT growth	62.3%	-27.9%
Gross margin	35.6%	36.4%
EBIT margin	21.6%	18.1%
ROE	10.6%	6.7%
D/E	0.27	0.29

About the Company

Established in 1993 by the privatisation of a state-owned company, Gemadept ("GMD") operated as a maritime agent and freight forwarder in its early days. After 29 years of operation, the company has become one of the largest seaport operators in Vietnam, owning a seaport system that includes dry bulk ports, ICDs, river ports and now a deep-water port.

GMD's seaports are in two main locations: the Hai Phong port zone in the North and the Cai Mep- Thi Vai port zone in the South. In the North, GMD owns Nam Hai port, Nam Hai Dinh Vu port, and Nam Dinh Vu port – the latter of which is the biggest port with a designed capacity of 1,000,000 TEUs per annum. Furthermore, in the South, GMD now owns its first deep-water port, Gemalink, with a design capacity of 1,500,000 TEUs for Phase 1. The commencement of Gemalink in 2021 marked a turning point for GMD to transform itself into a deep-water port operator, which is expected to play a more important role in the regional trade flows in Southeast Asia.

Recent Developments

Despite the Delta wave, GMD still recorded strong revenue and profit growth of 22.1% and 62.3%, respectively, in 2021 thanks to the improvement of ports in Hai Phong. According to Hai Phong's port authority, GMD's ports recorded a double-digit growth in container throughput volume, mainly driven by Nam Dinh Vu port in 2021. In 1H2022, they accounted for an 18% market share in terms of container throughput volume in the Hai Phong port zone.

Gemalink port, the biggest deep-water port in its zone, is expected to be the key growth driver for GMD over the next four years. According to the Vietnam Seaports Association, Gemalink port accounted for 25.3% of the market share in terms of container throughput volume in the Cai Mep- Thi Vai port zone in the first five months of 2022. This has been the fastest growing region in Vietnam in terms of container throughput volume over the past five years.

Sustainability Strategy

GMD defines its mission as to promote economic flows and create added value for the country, customers and partners through a chain of outstanding services and solutions, in which ESG factors are the core foundation for long-term development. The management team has shown determination in developing a feasible ESG strategy and roadmap for the company.

ESG Achievements

GMD outperforms its peers in Vietnam's logistics sector when it comes to ESG activities. The company has made a lot of efforts to align its business with the UN's 17 SDGs, especially SDG number 9 – Build Resilient Infrastructure: Promote Inclusive and Sustainable Industrialisation, and Foster Innovation – with its extensive 'green' smart port ecosystem, as well as SDG number 13 – Climate Action – with its many initiatives aimed at contributing to Vietnam's net-zero commitment. The company has a strong organisational culture and an extensive training program for its employees.

ESG Challenges

GMD has not yet disclosed its total carbon emissions. Also, it will take time and significant expenditure for GMD to receive international certificates for its entire ports and logistics system. GMD also owns a non-core rubber plantation project in Cambodia that is a potential ESG concern, however, in recent meetings with the company, its senior management have re-confirmed their intention to divest this project in 2023.

Top Five Portfolio Companies (continued)

Phu Nhuan Jewelry JSC ("PNJ")

As at 30 June 2022

VietNam Holding's investment

Date of first investment	8 December 2009
Ownership	0.8%
Percentage of NAV	8.1%
Internal rate of return (annualised)	30.8%

Share information

Stock Exchange	HOSE
Date of listing	23 March 2009
Market capitalisation (USD million)	1,338
Free float	83.4%
Foreign ownership	49%

Financial indicators (as at 31 December)	**2021**	**2020**
Capital (USD million)	97.8	98.6
Revenue (USD million)	848.3	766.0
EBIT (USD million)	71.9	53.9
NPAT (USD million)	44.2	46.3
Diluted EPS (VND)	4,197	4,308
Revenue growth	10.7%	3.5%
NPAT growth	-4.5%	-10.1%
Gross margin	18.2%	19.4%
EBIT margin	8.5%	7.0%
ROE	18.3%	21.8%
D/E	0.45	0.35

About the Company

Established in 1988, PNJ is now the leading jewelry producer and retailer in Vietnam with an estimated 56.5% market share in the branded jewelry retail segment. Its vision is "to become a leading jewelry manufacturer and retailer in Asia, to honour beauty and reach a global market".

In 2021, PNJ owned 342 stores across Vietnam under the brand names of PNJ, CAO, PNJ Silver, and PNJ Style. In addition to its nationwide distribution network, PNJ also operates two factories in Ho Chi Minh City and Long An with a capacity of six million jewelry items per year.

As of 31 December 2021, PNJ employed 6,473 people, of which 61.7% are female.

Recent Developments

2021 was a difficult year for PNJ due to the full-fledged lockdown in HCMC from June to October, which forced its shops to close. As a result, the revenue 'only' increased by 10% while the NPAT dropped by 4.5%. Nevertheless, PNJ demonstrated a remarkable recovery in the first six months of 2022 with record-breaking revenues and net profit of USD 782m and USD 46m, respectively. Retail jewelry is the key driver of this stellar performance with a contribution of 58.6% and an excellent growth rate of 61.9%.

Sustainability Strategy

Sustainable development is integrated in PNJ's culture, activities and business strategy, not least given its business philosophy of "Integrate the customer and society benefits into the company's interests". In addition, PNJ's focus on 'green' technologies and projects – for example, by maximising its fuel economy and participating in reforestation projects and clean water development – has helped it become one of the top-10 sustainable development businesses in Vietnam both in 2020 and 2021.

ESG Achievements

PNJ is the company with the highest ESG rating score in VNH's portfolio and is widely recognised for its efforts in improving its ESG performance over the years. In 2021, the company created an ESG committee as a sub-committee of its Board of Directors and continues to demonstrate its ambition to be a leading ESG advocate among public companies in Vietnam. The company also won the top 100 Sustainable Companies in Vietnam awarded by the Vietnam Council for Business Development in recognition of its efforts to promote gender equality in the workplace.

ESG Challenges

PNJ has not yet disclosed its total carbon emissions. The company also needs to further improve and disclose its material sourcing material sourcing policy and develop a roadmap for becoming certified as a member of the Responsible Jewelry Council.

Sacombank ("STB")

As at 30 June 2022

VietNam Holding's investment

Date of first investment	24 July 2020
Ownership	0.4%
Percentage of NAV	5.6%
Internal rate of return (annualised)	1.6%

Share information

Stock Exchange	HOSE
Date of listing	13 July 2006
Market capitalisation (USD million)	1,741
Free float	93.1%
Foreign ownership	22%

Financial indicators (as at 31 December)	**2021**	**2020**
Capital (USD million)	810.3	816.7
Revenue (USD million)	761.0	748.2
EBIT (USD million)	146.6	116.2
NPAT (USD million)	1,630	1,248
Diluted EPS (VND)	1.7%	18.5%
Revenue growth	26.2%	9.7%
NPAT growth	0.7%	0.6%
Gross margin	10.8%	9.6%
EBIT margin	9.9%	9.5%
ROE	1.5%	1.6%
D/E	15.2	17.0

About the Company

In 1991, STB became the first commercial joint-stock bank to be established in Ho Chi Minh City and in 1996 it became the first bank to issue shares to the public. By 2006 it was the first commercial joint-stock bank to be listed on the Ho Chi Minh Stock Exchange. During the five-year period from 2006 to 2011, the bank recorded a compound annual growth rate ("CAGR") of 34.5% in its net profit and became one of leading private banks in the Southern Vietnam. In 2012, however, it was subject to hostile changes in the shareholders and management, followed by a merger with a weak bank in 2015, which put the brakes on its rapid growth. After six years of restructuring, STB has effectively dealt with most of the consequent legacy issues and is accelerating the restructuring process. In 2022, STB became the tenth largest bank by assets in the industry and today runs the most extensive branch network among private banks in the country with 566 branches and transaction points. The bank's net profits grew by a CAGR of 30.4% from 2017 to 2021 and it is expected to enjoy significant growth over the coming years by which stage it is should have completely resolved all its legacy issues. Despite many headwinds, STB successfully implemented Basel II from January 1, 2020, showing its commitment towards prudent risk management practices.

STB has won many accolades, including "*Best bank with foreign currency service*" from Global Banking & Finance Review (UK), "*Vietnam's best bank for medium and small sized enterprises*" from Asia Money, "*Vietnam's bank with initiative in digital banking*" from The Asian Banking & Finance, as well as "*Best Workplaces in Asia in 2021*" from HR Asia.

Recent Developments

In 2021, STB's consolidated NPAT increased 26.2% YoY to USD 146.6m, with total credit growing 14% YoY. Non-performing loan ("NPL") ratio improved to 1.5% of total credit from 1.6% a year before, while the loan-loss-buffer enhanced to 121% of NPLs from 94% in 2020. It has continued to prioritise bad debt handling, thus the proportion of the legacy assets to total assets declined to 6.7% in 2021 from 29.3% in 2016.

Sustainability Strategy

STB has pursued a sustainability-oriented corporate governance model. This objective has helped the bank face difficulties and challenges in the past. In 2021, it continued to meet all the criteria of the Corporate Sustainability Index ("CSI") and was honored as the Top 3 of the "most favorite public companies" of investors in 2021. STB has implemented environmental and social management system ("ESMS") in compliance with international standards.

According to Directive No 03/CT-NHNN on promoting green credit growth, which was first piloted for small and medium size enterprises, STB was the first private bank to implement this program alongside three of Vietnam's state-owned commercial banks, including Vietcombank, BIDV and Agribank.

STB has been arranging loans with preferential interest rate for individuals and enterprises whose business and production activities either 'cause no harm' or 'protect natural resource, environment and society'. It has also coordinated with several business associations to participate in specialised seminars (for corporate customers accessing green credits) as well as more modern bank products and services.

ESG Achievements

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

ESG Challenges

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

Sustainability Report

As a responsible investor we are committed to do more, measure more and report more.

2021 witnessed significant changes in Vietnam's policy commitments towards a "clean, green and beautiful" Vietnam. At the United Nations' Climate Change Conference in November 2021 ("COP26"), Vietnam's Prime Minister Pham Minh Chinh announced that the country would pledge to achieve net zero carbon emissions by 2050 and phase out coal power generation by 2040. This strong commitment could be seen as a milestone for Vietnam paving a way for the transformational interventions needed to address climate change challenges, including the development of cleaner transportation and energy systems.

Since COP26, the government has taken firm steps in building a legal corridor for responding to climate change issues and implementing the commitments made. In particular, is the government's issuance of Decree No. 06/2022/ND-CP on January 07, 2022, which includes regulations on the reduction of greenhouse gas emissions and protection of the ozone layer. This new legislation specifies how companies will be given guidance on the scheme and undergo a pilot operation that is followed by a carbon credit trading market due to be formally launched in 2028.

Additionally, in June 2022, the government approved the circular economy development scheme and set several ambitious targets for the period ahead. The scheme aims to reduce the intensity of greenhouse gas emissions per GDP by at least 15% by 2030 and supports the net-zero emissions target by 2050. By 2025, the country also aims to reuse, recycle, and treat 85% of plastic waste generated, thereby reducing 50% of the plastic waste in the seas and oceans as well as that of the volume of non-biodegradable plastic bags and disposable plastic products that are used in daily life.

In regards to clean energy development, the draft National Power Development Plan (draft PDP VIII) for the period 2021 to 2030, with a vision to 2045, has been revised significantly in terms of the mix of energy sources needed to align with Vietnam's commitment to be net-zero by 2050. The proposed structure includes 50.7% share of wind and solar power and only 9.6% from coal power by 2045. If Vietnam achieves the goal, it will reclaim its crown as Asia's renewable energy powerhouse.

As the fourth COVID-19 wave spread across Vietnam in 2021, we were able to witness how Vietnamese enterprises made tremendous efforts to survive through the most difficult time of the pandemic. From quickly digitalising their business operations to implementing the "3 on-site" model at factories, as well as collaborating with the authorities by organising mass vaccination programs for their employees and making substantial donations to COVID-19 relief activities. We consider these actions to be a great reflection of the "S" in environmental, social and governance ("ESG") activities in Vietnam. Indeed, it also shows how Vietnam is regaining its reputation as a pandemic "success story" as it climbed to second place in the Nikkei's COVID-19 Recovery Index in July 2022. The country has now fully reopened its borders and we immediately saw increased trade and tourist flows, as well as rising levels of foreign direct investments, manufacturing outputs, and the rate of new construction. In the second quarter of 2022, Vietnam's GDP expanded 7.72% year-on-year, exceeding market expectations and ranking significantly higher than other nations around the world, many of which saw their economies shrink due to the war in Ukraine and all its implications.

VNH is a long-term, responsible investor, and ESG integration lies at the heart of our investment philosophy. We have been able to see the tremendous evolution of ESG in the past ten years with a wide variety of metrics, methodologies and approaches being tested and revised. While earlier approaches used exclusionary screening and value judgments to shape their investment decisions, ESG investing has been changed over time by shifts in demand from the finance ecosystem, driven by both the search for better long-term financial value and a pursuit of better alignment with values and current socio- environmental challenges[1].

Also, we see particular interest in ESG coming from millennials – the investors and decision makers of the future who account for over a third of the global population. According to a 2020 report on millennials and ESG investing by MSCI, millennial investors have contributed USD 51.1bn to sustainable funds in 2020, compared with less than USD 5bn five years earlier. This momentum is expected to continue over the next decade as 75m millennials inherit an estimated USD 30tn to USD 68tn from their parents.

Over the past year, we have navigated ourselves along the ESG journey by looking at what we have achieved and what we can do better, especially in terms of ESG assessments and engagement with companies. We refined our ESG policy and exclusion screening list and added more climate change commitments. We also applied the Task Force on Climate-related Financial Disclosures ("TCFD") in our reporting, developed our own ESG rating framework, and engaged more with companies on ESG topics.

[1] *OECD, 2020*

To advance our commitment to responsible investment, we have identified key areas that we need to continue to progress in the next year:

- ESG integration: Continuously improving the quality of our in-house ESG research with a more holistic assessment framework and ESG rating by companies, with reference to specific industry and sector guidelines;
- Company engagement: Continue to make progress in our engagement with companies on ESG topics, tracking their achievements and initiating collaborative engagement with other investors; and
- Advocating the adoption of ESG standards and best practices among the Vietnamese business community, with a strong focus on improving corporate governance, ESG reporting and identifying appropriate decarbonisation strategies.

ESG Management System

Our ESG Management System is a customised set of policies, procedures, tools and reporting criteria designed to identify, assess, manage and disclose information on ESG matters. We use this to help us both choose the right risks and take advantage of the opportunities that they present. Furthermore, in considering the activities of portfolio companies, we seek to ensure that our decisions lead to more positive impacts.

The ESG Management System has been developed by our Investment Manager to:

- integrate ESG issues into every step of the investment process: initial screening, due diligence, investment decision making and monitoring;
- provide a framework for monitoring and reporting on ESG aspects to stakeholders; and
- work in partnership with our portfolio companies to help them identify and implement ESG opportunities, creating sustainable enhancement to their overall financial performance.

Our approach to ESG integration is based on the following principles:

- Investors not only have the power but also a responsibility as stewards to drive and help create change;
- ESG research can provide unique insights not available in pure fundamental approaches;
- ESG integration leads to better-informed investment decisions; and
- Active ownership, advocacy, and engagement on ESG issues can reduce the risk of value destruction.

Climate Change and the ESG Agenda

According to the most recent report by the World Bank, Vietnam’s 100m people are among the most vulnerable in the world to climate impacts, facing hazards along the country’s 3,260-km long coastline and extensive low-lying regions. The country was estimated by the World Bank to lose about USD 10bn in 2020, or 3.2% of its GDP to climate impacts. By 2050, the costs to the economy generated by climate change could total as much as USD 523bn; therefore, investments to address climate impacts are a priority.

At COP26, Vietnam made a strong commitment to achieve the net-zero target by 2050, and since then the government’s efforts in changing its energy strategies and relevant policies have shown the country’s willingness to address climate change issues. As a long-term investor focusing solely on the Vietnamese market, we strongly support the country’s government and business community in addressing climate change and the socio-economic effects. During the financial year, our Investment Manager has been actively contributing to the national and regional dialogue on driving forward the net-zero transition. The Investment Manager provided insights related to Vietnam’s power sector for the report “*Power of ASEAN: Accelerating clean energy in Vietnam and Indonesia*” published by the Asia Investor Group on Climate Change, as we are a member.

Through the Investor Climate Action Plans (“ICAPs”)’ Expectation Ladder and Guidance, which was co-created with Asia Investor Group on Climate Change (“AIGCC”), we were able to position ourselves in the race to net-zero for investors and develop a pathway to progress in the mid to long-term. Based on the ICAPs, in late 2021 we identified ourselves to be between Tier 4 and Tier 3, as:

(i) We have integrated climate risks into the overall risk assessment framework and regularly monitored portfolio climate risks;

(ii) We do not invest in companies with more than 25% of revenues from fossil fuel; and

(iii) Our Investment Manager is a member of AIGCC and has sent its staff on climate change training. By June 2022, we have been able to move to Tier 3 by conducting detailed scenario analysis for the portfolio and assessing the physical and transition risks, using these results to assist with for current and future investment decisions. We believe VNH is now heading towards Tier 2.

Sustainability Report (continued)

Climate Change and the ESG Agenda (continued)

Investor Climate Action Plans (ICAPs) Expectation Ladder[1]

Tier 4	Tier 3	Tier 2	Tier 1
Measure portfolio carbon emissions.	Align portfolio emissions reduction target with domestic policy goals or NDCs.	Align portfolio emissions reduction target with 1.5°C and global net-zero emissions by 2050.	Align portfolio emissions reduction target with 1.5°C and global net-zero emissions by 2050 or sooner. Set intermediate targets covering all assets every 5 years using recognised methodologies and frameworks for setting, assessing, reporting, and verifying performance.
	VNH is now moving from Tier 3 to Tier 2 →		
Strategy			
Establish a formal policy on integrating climate change into: • investment analysis • decision-making • investment manager selection and appointment	Commit to increasing investments in appropriate clean energy and low carbon opportunities.	Establish a formal investment policy on fossil fuels and other high impact activities, such as deforestation and biodiversity loss, that: aligns with a net-zero target; includes an explicit commitment to phase out exposure to fossil fuels (either through engagement or divestment) in line with science-based net-zero pathways; aligns with just transition principles. Develop and start implementing a recognized option strategy for at least one portfolio or asset class.	Eliminate all investments in thermal coal, tar sands and Arctic drilling. Define a strategy for all high emitting sectors.
Risk Management			
Undertake portfolio climate risk assessment. Regularly monitor portfolio climate risks including physical risks.	Conduct a 1.5°C and 2°C scenario analysis including transition and physical risks, using a recognised methodology. Revise and update this analysis annually.	Use scenario analysis and stress testing to: • assess the impacts of physical and transition risks on the portfolio • inform current and future investment decisions	Explicitly incorporate net-zero scenario analysis.
Asset Allocation			
Invest part of the portfolio in 2°C aligned products.	Invest part of the portfolio in 1.5°C aligned companies, products, and projects.	Incorporate climate change into strategic asset allocation and invest in 1.5°C-aligned companies, products, and projects in multiple asset classes.	Invest (and grow the proportion annually) in 1.5°C aligned companies, products, and projects in all asset classes.
Additional Target Setting			
N/A	Set Scope 1 and 2 decarbonization targets for your own operational emissions.	Implement explicit net-zero aligned targets for clean energy and low carbon investments in each asset class. Set Scope 3 decarbonization targets if they are material i.e. >40% of emissions of underlying assets.	Set 1.5°C targets in all assets classes where recognised methodologies exist. Establish net-zero-aligned targets for high impact sectors. Set intermediate targets that enable progression and assessment of portfolio emissions reduction in line with achieving net-zero emissions.

[1] *AIGCC, 2021*

Climate change is also a main topic for engagement with companies in our portfolio. In support of the Government's Decree No. 06/2022/ND-CP on regulating GHG mitigation and ozone layer protection, the Investment Manager successfully hosted the webinar "*Heading Towards Net-zero Targets and Corporate Strategies*" in March 2022 with representatives from 70 companies and organisations in Vietnam in attendance. Through the timely webinar, the Investment Manager was able to keep portfolio companies updated about the new legislations relevant to climate change in Vietnam and provide them with technical expertise to develop their own decarbonisation roadmaps. The webinar received wide attention from both the business and non-profit sectors, and in addition to its initial objectives, was able to broaden the discussion to explore how the Vietnamese business sector can contribute to the national commitment of reaching net zero by 2050.

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

- Continue to measure and track the portfolio's carbon footprint to identify carbon-intensive sectors and integrate climate risks and opportunities into the Company's broader risk management framework;
- Improve upon best-practice for climate related disclosures for investment companies by following the guidelines of the TCFD disclosures, even though VNH is technically out-of-scope for this; and
- Encourage more companies in the portfolio to measure their total carbon emissions and consider a decarbonisation roadmap.

VNH's TCFD Report

This year we analysed the portfolio in greater depth in terms of the physical and transition risks, and employed VNEEC, a Vietnamese environmental consultant, to estimate total carbon emissions of all listed investee companies as of 31 December 2021. This was followed by an assessment of the portfolio's climate risks including its alignment with the Paris Agreement goals, which was based on a scenario approach with implied temperature rise metrics. This analysis provides a greater understanding of our portfolio risk from a climate perspective, and is also useful for our company engagement program. Our response to the core elements of the TCFD recommendations are summarised in the following sections.

Governance

In 2021, VNH's Board announced its commitment to both the Paris Agreement and the TCFD's risk, governance and reporting recommendations. During the Annual General Meeting in 2021, the Board also endorsed a belief statement for climate, which was later published through media releases and via the Company's website.

The Company's ESG Committee has been working closely with the Investment Manager to further develop its investment strategy and incorporate climate-related risks and opportunities into the investment process and risk management.

Sustainability matters are incorporated in its reports to investors. In addition, the Chairman of the ESG Committee and the Managing Directors of the Investment Manager have attended cross-industry seminars and training in both UK and Asia on climate and sustainability issues, where we have been advocating for greater adherence and involvement from peers. The Investment Manager also promotes and supports climate initiatives through industry bodies such as, the AIC, the Vietnam Institute of Directors ("VIOD"), the Singapore Institute of Directors and the AIGCC.

Strategy

As Vietnam companies are at a very early stage to incorporate climate change into their business strategies, in the short to medium-term (2021 to 2025), we continue to prioritise our engagement strategy to raise portfolio companies' awareness of climate risks and the energy transition, as well as provide them with guidelines on how to measure their total carbon emissions and adopt low-carbon technology.

We identify the physical risks, for example, acute weather events and transition risks, including policy, legal and market risks, for the sectors and industries that surround our core target investment themes. These include industrialisation, urbanisation, and the domestic consumer. Within the sectors and industries, we research, analyse, and prioritise the best-in-class companies in terms of their adoption of technology solutions to lower carbon emissions and the provision of disclosures on carbon footprint in their annual reports. We consistently favour companies exhibiting or developing strong climate-resilient strategies.

As Vietnam companies are at a very early stage to incorporate climate change into their business strategies, in the short to medium-term (2021 to 2025), we continue to prioritise our engagement strategy to raise portfolio companies' awareness of climate risks and the energy transition, as well as provide them with guidelines on how to measure their total carbon emissions and adopt low-carbon technology.

Based on the heat map developed by the United Nations' Environment Program Finance Initiative's TCFD banking

Sustainability Report (continued)

Strategy (continued)

program, which assesses the sector transition risk exposure in terms of direct and indirect emission costs, low carbon capital expenditure and change in revenue of the majority of VNH's portfolio in 2021 (59.1% of the NAV) is in sectors with the "Moderate" impact rating. Additionally, 37.5 % of the portfolio in 2021 is allocated to financial services companies, which fall under the Services and Technology category with the "Low" impact rating. In 2021, VNH did not allocate any investment in the Oil and Gas and Power Generation companies, and thus was not exposed to any "High" impact sectors.

In terms of implied temperature rise, based on the calculation of VNEEC, the 2021 portfolio of VNH is consistent with a 1.81°C temperature rise scenario and aligned with the fair share emission budget by the Climate Action Tracker. However, the portfolio is not yet fully aligned with the domestic pathway in the net-zero by 2050 scenario that Vietnam is now committed to.

Risk Management

The ESG Committee reports to the Board of the Company, and liaises with the Audit and Risk Committee and the Investment Manager to incorporate climate risks into the overall risk management framework (see pages 28 to 30).

Climate risk assessment is integrated by the Investment Manager into all stages of investment processes: initial screening, due diligence, investment decision and monitoring. The risks are regularly discussed during meetings of the Investment Committee and the Investment Manager's Board and are also regularly reported to the Company's Board. Risks are continuously identified and managed at the portfolio level.

Metrics and Targets

- The Portfolio carbon footprint is the key metric used to measure and track progress towards reducing carbon emissions. Our target is to keep the portfolio carbon footprint 20% below the Vietnam All share Index ("VNAS").
- We will join in collaborative engagement initiatives to hold the rise in global average temperature to below 2 degrees Celsius above pre-industrial levels. The target is measured by the number of climate initiatives that we support through communications, policy dialogue, company engagement, and networking.
- In 2022, we have conducted deeper quantitative analysis to assess the climate risk exposure of the portfolio, using a scenario approach for implied temperature increases to estimate the financial impacts and estimate how these risks are translated into financial impacts, for example, the potential financial loss from physical risks, carbon pricing and the impacts on corporate profits.
- We will also identify businesses and investment opportunities that may benefit from the transition risk process.
- In the longer-term (from 2025 onwards), and with shareholder approval, we will set a firm target percentage in our portfolio for low-carbon investments.

Portfolio carbon footprint

The portfolio companies' attributable carbon footprints are analysed against the attributable footprint of an identical invested amount in the companies of the VNAS. In 2021, the VNH portfolio had an estimated total annual emission of 9,059 tonnes carbon dioxide equivalents ("tCO_2e") from Scope 1 and 2. The carbon footprint of the portfolio in 2021 is significantly lower when compared against the benchmark of an equivalent investment size in VNAS, with 67.5% or 18,803 tCO_2e less total carbon emissions. The total carbon emissions of the Portfolio in 2021 is also much lower than that of Portfolio in 2020 (9,059 and 21,045 tonnes of CO_2 equivalents, respectively). This positive performance was resulted mostly from effective sector allocation, with a small contribution from stock selection.

	VNH Portfolio	VNAS benchmark	Difference between VNH Portfolio vs. VNAS benchmark
Total Emissions Scope 1 and 2 (tCO_2e)	9,059	27,861	-18,803
Total Emissions Scope 1, 2 and 3 (tCO_2e)	21,042	57,050	-36,008
Carbon footprint (tCO_2e/ $M Invested)	58.21	179.03	-67.5%

Sustainable Development Goals

The 17 Sustainable Development Goals ("SDGs"), also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call for action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. With only less than a decade left to meet the SDGs by 2030, it is crucial to accelerate actions to achieve the Goals. It is increasingly clear that the way forward is one that must be paved by both businesses and governments. The growing power of the business sector should be leveraged to grow a stable, sustainable global economy and society.

We consider the 17 SDGs to be a useful framework that companies can use to start to develop their sustainability and ESG strategies. We are pleased to see that the SDGs have been incorporated in many of our portfolio companies' annual reports, with detailed illustrations of how the SDGs are embedded in their vision, business strategies and operational conduct. FPT, the largest holding in VNH's portfolio is contributing greatly to SDG 4 – Quality Education – with their extensive education programs. In its 2021 annual report, FPT also pointed out the eight SDG goals that the company most directly contributes to: Quality Education; Gender Equality; Affordable and Clean Energy; Decent Work and Economic Growth; Industry, Innovation, and Infrastructure; Responsible Consumption and Production; Climate Action, and Partnerships for the Goals.

Gemadept ("GMD"), another of the Top 5 portfolio companies, has also made considerable efforts to align its business with SDGs, especially SDG 9 – Build Resilient Infrastructure, Promote Inclusive and Sustainable Industrialisation and Foster Innovation – with its extensive "green, smart port" ecosystem. It also is focusing on SDG 13 – Climate Action – and is working on many initiatives aimed at contributing to Vietnam's net-zero commitment.

VP Bank, arguably the "greenest" bank in our portfolio, has made significant efforts to improve its environmental and social management strategy by following international standards and starting to apply the TCFD framework to its processes. In 2021, VP Bank helped 422 customers to integrate sustainability into their business or invest in a "green" project involving renewable energy, waste treatment, or clean transportation, for example. It ended the year with a total Green Loan balance of VND4,066bn, equivalent to around USD170m. Meanwhile, Phu Nhuan Jewelry ("PNJ") is making much progress in integrating SDG 5 – Gender Equality – into its management approach by raising awareness about the role of women in families and the workplace.

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

Corporate Governance

During the past two decades, the Law on Enterprises and the Law on Securities has been updated several times, with the latest versions being passed during 2019 and 2020 and effective from 1 January 2021. Decree 155, covering corporate governance of public companies, and Circular 96 on the disclosure of information of public companies, are the two key implementing regulations of those laws, and were issued around the same time. These laws and regulations form the main part of the prevailing Vietnamese corporate governance regulatory framework. In addition to mandatory rules provided in the laws and regulations, the State Securities Commission ("SSC"), with support from the International Finance Corporation ("IFC"), and with inputs from the Investment Manager's CIO, issued in summer 2019 the Vietnam Corporate Governance Code of Best Practices for public companies (the "CG Code"), which recommends standards that go beyond the minimum legal and regulatory requirements. The CG Code will also help Vietnam align with its ASEAN peers, which have already instituted similar codes.

In anticipation of Vietnam's equities being upgraded in the future and included in the MSCI Emerging Market Index (as opposed to the current Frontier Market Index), many companies have applied international guidelines, including those of the IFC, to improve their corporate governance framework. Many companies in our portfolio have set up audit committees under the board of directors. This board 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 by appointing more independent directors with work experiences from different sectors. We have also observed a significant improvement in investor relations activities and information disclosure of our portfolio companies, with monthly performance updates and quarterly reports sent to investors, more content available in English, and better dedicated investor relations support to address questions from investors.

Sustainability Report (continued)

Dedicated Company Engagement Program

The Investment Manager assigns a high priority to the engagement mandate entrusted by shareholders and has established a Company Engagement Program, emphasising the necessity to systematically implement ESG factors for investee companies. By providing knowledge on specific issues, the Investment Manager supports companies in their own relevant financial and ESG matters and encourages positive changes by helping to influence improvements in sustainability policies, practices and performance, and making recommendations where appropriate. Furthermore, the engagement program helps the Investment Manager in its portfolio decision-making and risk management strategy.

As we have been evolving into a post-pandemic period, the Investment Manager has been able to set up face-to-face meetings with several portfolio companies under the Company Engagement Program to discuss both the company's business strategy and ESG issues. During the financial year, the team had in-depth meetings with FPT, GMD, and PNJ to help improve their ESG practices with practical solutions in the short and medium-term. Over several meetings, we have seen the eagerness, willingness and strong commitment from the Board and management of these companies in driving forward ESG and sustainability actions for their businesses. For example, FPT published its very first ESG report in early 2022. PNJ established an ESG committee within its Board of Directors and recruited a Senior ESG Manager to support the company in developing its ESG strategy in the medium, short, and long-term. GMD, with the strong determination of its CEO, put a clear focus on improving the company's work culture and developing a decarbonisation roadmap.

Shareholder Voting

This year the Annual General Meetings of portfolio companies ("AGM"s) were held in both online and offline formats.

The Investment Manager considers each agenda issue proposed by a company based on its merits related to the strategic objectives of the investee company and its potential impact on long-term performance. As part of its usual ongoing practice, the Investment Manager discusses the proposed agenda items with each of the investee companies' board of directors ahead of the actual meetings.

During the financial year, the Company, through the Investment Manager, attended and voted at the Annual General Meetings ("AGM") of every portfolio company in which it held an equity position, 27 in total. In all cases during the past year, the Company voted in favour for every agenda item proposed by each company's boards of directors.

Membership and Partnership to Promote ESG Practices

UNPRI

As noted above, the Company's investment policy is aligned with the 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 its most recent report, the Company received two 'A' scores and one 'A+' score, all higher than the median and higher than its 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, the topics covered, and the way we share insights from engagements with our stakeholders.

VIOD

Mr. Vu Quang Thinh – the CEO of Dynam Capital – is a founding member of VIOD, the Vietnam Institute of Directors, which is a professional organisation that promotes corporate governance standards and best practices in the Vietnamese corporate sector. VIOD was legally formed in 2018 with technical support from the International Finance Corporation ("IFC"), a member of the World Bank Group and Switzerland's State Secretariat for Economic Affairs ("SECO"). Governed by a Board of Directors comprised of various private sector representatives, VIOD has close collaboration with the State Securities Commission of Vietnam ("SSC"), HOSE and HNX under the Vietnam Corporate Governance Initiative ("VCGI"). With the support of SSC, VIOD will continue to represent Vietnam to participate in the 2021 ASEAN Corporate Governance Scorecard. Our close collaboration with VIOD will continue to play a key role in fostering good corporate governance not only in our investee companies but across Vietnam's business community over the coming years.

AIGCC

As mentioned above, Dynam Capital, our Investment Manager, is a member of the Asia Investor Group on Climate Change ("AIGCC"). At the end of this financial year, Dynam Capital signed on the 2021 Global Investor Statement to Governments on the Climate Crisis with more than 450 investors to call for governments to raise their climate ambition and implement more effective policies to address the climate crisis.

Others

In the financial year, the Investment Manager also contributed to the newly-established Vietnam Business Integrity Network, VBIN, an initiative initiated by the Vietnam Chamber of Commerce and Industry with the generous support from the UK Prosperity Fund through the Regional Project "Promoting Fair Business Environment in ASEAN – FairBiz" of the United Nations Development Program – UNDP. VBIN is a new initiative, a business-led and business-oriented network with a focus on promoting business integrity, purpose and vision for companies in Vietnam.

Principal Risks and Risk Management

The Board has carried out a robust assessment of the Company's emerging and principal risks and considers with the assistance of the Investment Manager the risks and uncertainties faced by the Company in the form of a risk matrix and heat map. The investment management of the Company has been delegated to the Company's Investment Manager. The Investment Manager's investment process takes into account the material risks associated with the Company's portfolio and the holdings in which the Company is invested. The Board monitors the portfolio and the performance of the Investment Manager at regular Board meetings. The principal risks and the descriptions of the mitigating actions taken by the Board are summarised in the table below.

Key risk	Description	Mitigating action
Market Risk	Vietnam is an increasingly open trading nation, and the changes in terms of international trade, disruption to supply chains and impositions of tariffs could impact directly and indirectly the Vietnamese economy and the companies in which the Company is invested. The Vietnamese economy can also be impacted by the global-macro economic conditions, and also geopolitical tensions. The Vietnamese capital markets are relatively young, and liquidity levels can change abruptly responding to changes in the behaviour of domestic and international investors. Parts of the portfolio may be prone to enhanced liquidity and price risk.	The Board is regularly briefed on political and economic developments by the Investment Manager. The Investment Manager publishes a monthly report on the Company which includes information and commentary on the macroeconomic developments in Vietnam. The inherent liquidity levels in the portfolio have been considered explicitly in the viability of the Company and the Board is reasonably satisfied that even in periods of distress and low liquidity there would be an adequate level of assets that could be realised to meet the liabilities of the Company as they fall due. The Board has noted that the underlying market liquidity in Vietnam has increased dramatically during the last year, and the portfolio composition has also included a higher percentage of larger and more liquid companies.
Investor Sentiment	Vietnam is currently classified as a Frontier Market by MSCI, and the timetable for any inclusion as an Emerging Market is unsure. Investor attitudes to Frontier and Emerging Markets can change, leading to reduced demand for the Company's shares, and an increase in the discount to NAV per share.	The Investment Manager keeps shareholders and other potential investors regularly informed on Vietnam in general and the Company's portfolio in particular. At each Board meeting the Board receives reports from the Investment Manager, from 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.

Principal Risks and Risk Management (continued)

Key risk	Description	Mitigating action
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.
Investment Management Agreement	The fund management activities are outsourced to the Investment Manager. If the Investment Manager became unable to carry out these activities or if the Investment Management Agreement was terminated, there could be disruptions to the management of the portfolio until a suitable replacement is found.	The Board maintains a close contact with the Investment Manager and reviews the performance of the Investment Manager on a regular basis.
Operational	The Company has no employees and is dependent on a number of third parties for the provision of services (including Investment Management, Fund Administration and Custody). Any control failures or gaps in the services provided could result in damage or loss to the Company.	The Board receives regular reports from the Investment Manager and Fund Administrator on their policies, controls and risk management.
Legal and Regulatory	Failure to comply with relevant regulation and legislation in relevant jurisdictions may have an impact on the Company. Although there are compliance policies (including anti-bribery policies) in place at the Company, the Investment Manager and all service providers, the Company could be damaged or suffer losses if any of these polices were breached.	The Company is administered in Guernsey by a Fund Administrator which reports to the Board at each Board meeting on compliance matters. The Board receives training and updates on compliance matters. The Investment Manager is regulated in Guernsey and has extensive compliance and risk management policies in place.

Key risk	Description	Mitigating action
COVID-19	Outbreaks of variants of coronavirus ("COVID-19") as part of a global pandemic pose a health concern through fast person-to-person spread, resulting in an illness that can lead to death. Lockdowns, quarantine measures and restrictions on travel can cause sustained global economic disruption and slowdown in growth, and can cause some industries and companies to face severe financial pressures that can lead to job losses and in extreme cases bankruptcies, impacting the value of the investments held by the Company, and weakening investor confidence. Key service providers to the Company could face loss of personnel, diminution in service capability and could impact the ongoing operations of the Company. Travel restrictions can prevent the Directors of the Company from meeting in person. Delays in rolling out vaccinations may prolong the economic impact on Vietnam and its population as other countries begin to re-open their borders to travel.	The Board is in regular contact with the Investment Manager, receiving regular updates on the development and the spread of COVID-19, mitigating actions in Vietnam, including the roll-out of vaccinations, 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 BCP has been tested and implemented several times without loss of service to the Company. 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, webinars and ad-hoc updates through social media to keep the investors updated on the impact of COVID-19 on the portfolio.
Climate Risk	Climate change is happening faster than models earlier predicted, threatening the safety of billions of people on the planet. Vietnam is one of the five countries most vulnerable to climate change. The country's diverse geography means it is hit by sea level rise, typhoons, landslides, flooding and droughts, and weather events are expected to worsen in coming years. Two types of climate-related risks have been identified. (1) Physical risks: sea level rise, floods and typhoons that put infrastructure or real estate companies with projects in coastal areas or low-lying levels at higher risk from physical impacts of climate change. (2) Transition risks: climate policy and rising carbon prices may cause higher prices and impact the viability of companies that rely on fossil fuels or those in carbon intensive activities and may necessitate a significant, and costly, technology shift.	The Board, through the Investment Manager, has engaged a specialist consulting firm in Vietnam to help estimate the portfolio's carbon footprint and identify the carbon-intensive sectors. The Investment Manager has undertaken to analyse the physical and transition risks of climate-sensitive industries to develop an appropriate investment and engagement strategy and to encourage investee companies to do more on climate-related risk assessment and disclosures. The Investment Manager monitors investee companies that are identified to be at high climate risks. The Investment Manager is a member of the Asia Investor Group on Climate Change and keeps abreast of the changes in policies that may impact transition and other climate-related risks. The Board is in regular contact with the Investment Manager, and receives reports through the ESG Committee and the Audit and Risk Committee.
Emerging Risks	New risks beyond those identified as Principal Risks can develop. These Emerging Risks may have a detrimental or existential impact on the Company.	The Board reviews the risk matrix and risk register that captures and tracks emerging risks as part of its overall risk management practices. Emerging Risks are identified and recorded with a description of their root cause, a risk assessment, a description of mitigating actions, a monitoring plan, and a net risk rating. Changes in risk ratings are presented to the Board on a quarterly basis. There are no emerging risks to bring to the attention of the shareholders at the date of the Annual Report.

Director Profiles and Disclosure of Directorships

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

Hiroshi Funaki (Chairman)
Mr Funaki has been actively involved in raising, researching and trading Vietnam funds since 1995. He worked at Edmond de Rothschild Securities from 2000 to 2015 where he led the Investment Companies team, focusing on Emerging Markets and Alternative Assets. Prior to that he was Head of Research at Robert Fleming Securities, also specialising in closed-end funds. He currently acts as an investment adviser to a Family Office. He has a MA in Mathematics and Philosophy from Oxford University and is a UK resident.

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

Sean Hurst (Senior Independent Director and Environmental, Social and Governance Committee Chairman)
Mr Hurst was co-founder, director and chief investment officer of Albion Asset Management, a French regulated asset management company, from 2005 to 2009. He is an experienced multi-jurisdictional director including roles at Main Market and AIM traded funds and numerous offshore and UCITS funds. 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. 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.

Damien Pierron (Management Engagement Committee Chairman)
Mr Pierron is currently Managing Partner at Ankaa Ventures, a Venture Capital firm active in Seed stage in Europe. In his last position, he was a managing director in Societe Generale. Mr Pierron has 20 years' experience in M&A and Private equity gained at, among others, Lafarge Holcim, OC&C Strategy Consultants, Natixis and Societe Generale. He is a CFA charterholder and holds an Engineering Degree in Mathematics, Physics and Economy from Ecole Polytechnique in Paris and a Master's Degree in Quantitative Innovation from Ecole Nationale Superieure des Mines de Paris. He is a Dubai resident.

Saiko Tajima (Remuneration and Nomination Committee Chairman)
Ms Tajima has over 20 years' experience in finance, of which 8 years have been spent in Asian real estate asset management and structured finance. Working for Aozora Bank and group companies of Lehman Brothers and Capmark, she focused on financial analysis, monitoring and reporting to lenders, borrowers, auditors, regulators and rating agencies. Over the last 8 years, she has invested in and helped develop tech start-ups in Tokyo, Seoul and Sydney. She is a Certified Public Accountant in the US and is a UK resident.

Disclosure of Directorships in Public Companies Listed on Recognised Stock Exchanges

Name	Company Name	Stock Exchange
Sean Hurst	JPEL Private Equity Ltd	London
Philip Scales	First World Hybrid Real Estate plc	Channel Islands

Corporate Governance Report

The Directors are responsible for the determination of the overall management of the Company including its investment policy and strategy. This includes the review of investment activity, performance and control and supervision of the Investment Manager and other advisers. 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, the London Stock Exchange and The International Stock Exchange.

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

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

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

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

Except as disclosed within this report, the Board is of the view that the Company complied with the recommendations of the AIC Code and the relevant provisions of the AIC Code during the year ended 30 June 2022. Key issues affecting the Company's corporate governance responsibilities, how they are addressed by the Board and application of the AIC Code are presented below.

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

Directors' Responsibilities to Stakeholders

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

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

Key decisions are defined as those that are material to the Company, but also those that are significant to any of the Company's key stakeholder groups. The Company's engagement with its key stakeholders is outlined on page 35 of the corporate governance section of this report.

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 1,405,776 ordinary shares in the Company representing 4.81% of the issued share capital. The Board are satisfied that this does not have any impact on Mr Funaki's independence as a Director of the Company.

Corporate Governance Report (continued)

Board Independence and Composition (continued)

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

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

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

The 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 31.

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)	6 (6)	1 (1)	1 (1)
Sean Hurst	6 (6)	6 (6)	1 (1)	1 (1)
Philip Scales	6 (6)	6 (6)	1 (1)	1 (1)
Damien Pierron	6 (6)	6 (6)	1 (1)	1 (1)
Saiko Tajima	6 (6)	6 (6)	1 (1)	1 (1)

In addition there were 2 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 2022 AGM.

The individual performance of each Director standing for re-election or election has been evaluated by the other members of the Board and a recommendation will be made that Shareholders vote in favour of their re-election at the AGM in November 2022.

Administration

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

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 2022, 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 33 to 35. A summary of the Terms of Reference of each committee is detailed below and a copy of the Terms of Reference are available on the Company's website **www.vietnamholding.com**.

Audit and Risk Committee

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

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

A report of the Audit and Risk Committee is detailed on pages 37 to 38.

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.

Corporate Governance Report (continued)

Remuneration and Nomination Committee
(continued)

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

During the year the Committee reviewed the fees paid to Directors and resolved that no changes be recommended.

The AIC Code includes a provision relating to the appointment of a Senior Independent Director of which Sean Hurst occupies this role.

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

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

A share buy-back sub-committee consisting of Hiroshi Funaki and Sean Hurst has been formed under the Management Engagement Committee and meets regularly to review and monitor the share buy-back programme. Damien Pierron also joins the share buy-back sub-committee on an ad-hoc basis.

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

Environmental, Social and Governance Committee
The ESG Committee was established in the prior 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 the Senior Independent Director in close liaison with the Company Advisors.

Copies of the Annual Report are sent to all Shareholders and can be downloaded from the website. Other Company information including the Interim Report is also available on the website.

The Company holds an AGM 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. The Company has a LinkedIn page which is administered by the Investment Manager.

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

Corporate Policies

Anti-Bribery and Corruption Policy
The Board is committed to the prevention of bribery throughout the organisation and will take every step

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

Criminal Facilitation of Tax Evasion Policy

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

General Data Protection Regulation

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

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 2022, 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 2022, many of the board meetings were conducted through video-conference as a result of restrictions related to COVID-19. During the year members of the Board travelled to London, Zurich and Ho Chi Minh City 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 46.61 tonnes of CO_2e.

The Company engaged a specialist consulting firm to estimate the carbon footprint of the portfolio, and this is detailed in the *Sustainability Report.*

Gender Metrics

The Board of the Company recognises the governance mechanism to ensure there is diversity amongst the Directors and as such a female was appointed to the Board in May 2019. In addition, the Board is reviewing the Policy Statement issued by the FCA in April 2022 on Diversity and inclusion on company boards and executive management and consequential changes to the Listing Rules. These changes apply to accounting periods starting on or after 1 April 2022 and will be reported on more fully in the 2023 financial statements of the Company. The Board notes also that 40% 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 2022 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 2022 and the number of those attended by each committee member are shown on page 33.

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 2022 was USD 120.9 million which represented 93.9% of the Company's NAV (30 June 2021: USD 193.1 million and 98.5% respectively). The valuation of investments is the most significant factor in relation to the accuracy of the financial statements.

The Committee reviewed the portfolio valuation as at 30 June 2022 and obtained confirmation from the Investment Manager that the Company's policies on the valuation of investments had been followed. The Committee also made enquiries of the Sub-Administrator and Custodian, both of whom are independent of the Company, to check procedures are in place to ensure the portfolio is valued correctly.

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

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

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

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

Audit fees payable to KPMG for 2022 are GBP 56,000 (2021: GBP 52,000). Non audit fees payable to KPMG for 2022 were GBP nil (2021: GBP nil).

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

Risk Management
An outline of the risk management framework and principal risks is detailed on pages 28 to 30. 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.

Audit Quality Review (AQR) Inspection Report
On 26 August 2022, the Company received a copy of an AQR Inspection Report issued by the Financial Reporting Council following their completion of a review into the Company's 30 June 2021 annual audit. The AQR described some other findings that were required to be implemented by KPMG Channel Islands Limited in the following year's audit of the Annual Report.

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

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

Philip Scales
Audit and Risk Committee Chairman
30 September 2022

Directors' Remuneration Policy and Report

Remuneration Policy

The Directors are entitled to receive fees for their services which reflect their experience and the time commitment required. At the Annual General Meeting to be held in November 2022 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 2022 annual Directors' fees remained at USD 50,000 with the Chairman of the Company receiving an additional USD 10,000 per annum or prorated as applicable and, the Senior Independent Director and the Chairman of the Audit and Risk Committee receiving an additional USD 5,000 per annum or prorated as applicable.

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

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

The single total figure of remuneration for each Director who served during the year ended 30 June 2022 and the previous year is as follows:

	Year ended 30 June 2022			Year ended 30 June 2021		
Director	**Base Fees USD**	**Additional Ad hoc fees USD**	**Total USD**	**Base Fees USD**	**Additional Ad hoc fees USD**	**Total USD**
Hiroshi Funaki (Chairman)	60,000	10,125	70,125	60,000	11,250	71,250
Sean Hurst (Senior Independent Director)	55,185	10,125	65,310	55,829	10,741	66,570
Philip Scales (Audit and Risk Committee Chairman)	55,000	9,000	64,000	55,000	6,750	61,750
Damien Pierron	50,000	9,424	59,424	50,000	7,873	57,873
Saiko Tajima	50,000	9,000	59,000	50,000	6,000	56,000
Total	270,185	47,674	314,859	270,829	42,614	313,443

Directors' Report

The Directors present the Annual Report and Financial Statements of the Company for the year ended 30 June 2022.

The Company

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

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

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

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

Results

The net loss for the year ended 30 June 2022 amounted to USD 7,719,310 (2021: net income USD 100,153,888). There were no dividends declared during the year ended 30 June 2022 (2021: USD nil).

Going Concern

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

The Company's forecasts and projections have been stress tested taking into account the potential for (i) asset value declines, (ii) declines in cash dividends from equities held in the portfolio and (iii) share buybacks and tender offers. The Directors note that the underlying liquidity of Vietnamese stocks has increased significantly over the last twelve months with average daily traded volumes increasing by as much as 5x the level of the prior year. The Director's also note that the portfolio is composed of a higher percentage of larger and more liquid stocks than in the prior year. Lastly, the Directors note that at year-end the portfolio is comprised of cash and quoted stocks only. The Company's liquidity position, taking into account cash held and with the ability to sell underlying assets to meet share buybacks, tenders and to meet the operating costs of the Company, shows that the Company is able to operate with appropriate liquidity and be able to meet its liabilities as they fall due. The Directors 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 considered the current position of the Company, and its longer-term prospects, strategies as well as its principal risks in the current, medium and long-term, as detailed in the Principal Risks and Risk Management on pages 28 to 30 and in the Investment Manager's Report on pages 7 to 15. The strategy provides long term direction and is reviewed annually and further tested in a series of robust downside financial scenarios as part of the annual review. These scenarios included an assessment of those risks that would threaten its strategic objectives, its business-as-usual state, its business model and its future performance, solvency or liquidity. The sensitivity analysis was applied to the forecasted cash flows. Based on this assessment and the Investment Objective of the Company, the Board has determined that a three-year viability period to 30 June 2025 is an appropriate period that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of three years. The Board also travelled to Vietnam in June 2022, meeting with the research team, of the Investment Manager, meeting with portfolio companies and market commentators.

In arriving at this conclusion, the Board considered:

- The volatility of global economic conditions, lingering impacts of COVID-19, the war in Ukraine and inflation:

The Board considered the impact and effectiveness of mitigation strategies being mandated by governments in impacted countries; the adverse financial impact already being experienced by the Company: the disruption to economic activity and financial pressures and impact on investments in the Company's portfolio. The Board also engaged with the Investment Manager on the longer-term impact of climate change, and other societal change factors, to the portfolio. Additionally, the Board took into consideration the impact on the capital markets in Vietnam; the existence and effectiveness of business continuity plans of the Company and its service providers; and the impact on our stakeholders caused by COVID-19. The Board reviewed macro-reports and updates from the Investment Manager detailing the impacts of rising inflation in the US and Europe on Vietnam, and also the direct impacts of the war in Ukraine.

- Business environment:
Whilst the impact of COVID-19 on the global business environment may linger, there are visible signs of post-COVID-19 recovery which the Board were able to see first-hand on their visit to Vietnam in June 2022. There has been an increase in consumer demand, return to greater travel freedoms and signs of a return to stronger 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. The direct impact of the war in Ukraine on Vietnam appears to be manageable, with less than 1% of trade to Russia and Ukraine. The levels of inflation in Vietnam are less pronounced than those in Europe and the US, and the macro-economic position appears to be stronger than in many other frontier and emerging economies.

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

- Operations:
2021 was another year of significant operational change caused by the COVID-19 pandemic. During parts of 2021 there were strict lockdowns enforced in Vietnam, disruption to travel domestically and internationally, and Directors of the Investment Manager and staff of the Market Research subsidiary of the Investment Manager being infected with the virus. The Board ensured that the Investment Manager and other service providers had effective Business Continuity protocols and plans in place. The smooth operation of the Company through the various restrictions and lockdowns brought about by COVID-19 have reassured the Board that operationally speaking the Company is very robust and can, if necessary, operate effectively without the need for physical meetings or an office presence. The Board, Investment Manager, Administrator, and other service providers have all demonstrated that they can work effectively and efficiently despite, in many cases, working remotely for parts of the year.

- Investment:

- The liquidity of the Company's underlying portfolio is relatively high: average daily trading volumes on Vietnam's stock markets have reached three to four times the levels of previous years. All new invested stocks in this year are listed which have relatively high liquidity. At year end there were no unquoted investments and all securities are 'Level 1'. Recent stress testing has confirmed that the underlying holdings can be easily liquidated, despite the more uncertain and volatile economic environment. In August and September 2021, 30% of the portfolio was readily liquidated to provide funding for a Tender Offer, without any issues. It is estimated that up to 93% of the portfolio can be readily liquidated in less than ten trading days and 99% of the portfolio in less than 30 days. The portfolio is un-geared and, as it holds all listed securities, has sufficient liquidity to meet the Company's liabilities.
- The current portfolio is low to medium risk based on assessments both individually and in combination of liquidity risk, credit risk, interest rate risk and currency risk. The Investment Manager and the Board review and evaluate the portfolio on a monthly basis.

- Principal risks:
The Board's review considered the Company's cash flows and income flows, with reference to operational, business, market, currency, liquidity, interest rate and credit risk associated in financial instruments set out in note 3 (Financial Instruments and Associated Risks) and note 4 (Operating Segments) of the financial statements on pages 60 to 64. The statistical modelling is used to quantify these risks, which ensures that the Company holds sufficient financial assets and capital to mitigate the impact of these risks.

- Incomes and expenses:

- The Company has a portfolio that generates investment income through dividends payments. The cash dividends received can be used to partially offset the Company's on-going expenses. In the year under review, total on-going expenses were covered 0.43 times by investment income. In the following year, the current investment income is forecast to cover 0.48 times the amount of on-going expenses. In the stress-tested scenario with significant declines in cash dividends forecasted, the investment income is forecast to cover 0.39 times on-going expenses.
- The Company maintains a cash buffer of approximately 3.4% of NAV to help meet on-going expenses.

Directors' Report (continued)

Viability Statement (continued)

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 the Directors' Report and the risk management and control framework have the objectives of monitoring and reducing the likelihood and impact of operational risks including poor judgement in decision-making, risk-taking that exceeds the levels agreed by the Board, human error, or control processes being deliberately ignored.

In this context, the Board considers that the prospects for economic activity will remain such that the investment objective, policy and strategy of the Company will be viable for the foreseeable future and through a period of at least three years from 30 June 2022.

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

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

Share Capital and Share Buy-Backs
An active discount control mechanism to address the imbalance between the supply of and demand for ordinary shares using share buy backs is employed by the Broker and monitored by the Board. At the Annual General Meeting ("AGM") of the Company held on 1 November 2021, the Company was granted the general authority to purchase in the market up to 14.99% of the ordinary shares in issue. This authority will expire at the AGM to be held in November 2022.

In the year ended 30 June 2022 661,084 ordinary shares had been bought back and cancelled under the Company's share buyback programme. A further 12,737,184 ordinary shares were bought back following the Company's tender offer in September 2021. Since the year-end and up to 29 September 2022, being the latest practicable date prior to publication of the report, the Company bought back and cancelled 205,195 ordinary shares.

Share Buy-Backs to the Year-Ended 30 June 2022

	30 June 2022		30 June 2021	
	Number of Shares	USD'000	Number of Shares	USD'000
Opening balance at 1 July	42,623,935	60,474	50,814,865	81,832
Share issued during the year	-	-	-	-
Shares repurchased during the year	(661,084)	(2,655)	(605,681)	(1,180)
Tender Offer	(12,737,184)	(56,884)	(7,585,249)	(20,178)
Closing balance at 30 June	29,225,667	935	42,623,935	60,474

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 2022.

Shareholder	Number of ordinary shares	Percentage of total shares in issue
Lynchwood Nominees Limited	5,889,152	20.2
Citibank Nominees (Ireland) Designated Activity Company	5,438,957	18.6
The Bank of New York (Nominees) Limited	2,821,510	9.7
Vidacos Nominees Limited	2,603,438	8.9
Hargreaves Lansdown (Nominees) Limited	1,747,238	6.0
Chase Nominees Limited	1,650,120	5.6
Euroclear Nominees Limited	1,605,934	5.5
Interactive Investor Services Nominees Limited	1,451,443	5.0

Notification of Shareholdings

In the year to 30 June 2022 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

Shareholder	Number of voting rights	Percentage of total voting rights as at announcement date	Announcement date
De Pury Pictet Turrettini & Cie SA	0	0	18 August 2021
City of London Investment Management Company Limited	3,225,163	10.9	15 September 2021
Euroclear Nominees Limited	5,198,113	17.5	21 September 2021
City of London Investment Management Company Limited	2,963,123	10.0	17 December 2021
EdenTree Investment Management	1,489,431	5.1	01 June 2022

Since 30 June 2022 the Company has not received DTR 5.1.2 notifications of holdings.

Statement of Directors' Responsibilities

in Respect of the Annual Report and the Financial Statements

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

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

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

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

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

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

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

Compliance with Disclosure and Transparency Directive

We confirm that to the best of our knowledge:

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

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

For and on behalf of the Board

Hiroshi Funaki
Chairman
30 September 2022

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 2022, 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 2022, and of the Company's financial performance and cash flows for the year then ended;
- are prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS"); and
- comply with the Companies (Guernsey) Law, 2008.

Basis for opinion

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

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 2021):

	The risk	**Our response**
Valuation of Investments in securities at fair value $120,957,996; (2021: $193,108,385) Refer to page 37 to 38 of the Audit and Risk Committee report, note 2d accounting policies and note 12 disclosures	**Basis:** The Company's investment portfolio consists of listed equity securities trading on the Vietnamese stock exchange (the "Investments"). These Investments, carried at a fair value, are valued by the Company based on quoted prices in an active market for that instrument. **Risk:** The valuation of investments, due to their magnitude in the context of the financial statement as a whole, is considered to be the area which has the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.	*Our audit procedures included:* ***Internal Controls:*** We evaluated the design and implementation of the key control over the valuation of Investments. ***Use of KPMG Specialists:*** We engaged our own valuation specialist to independently price 100% of Investments to third party pricing sources. ***Assessing disclosures:*** We considered the Company's disclosures (see notes 2b and 2d) in relation to the use of estimates and judgements regarding the valuation of investments and the Company's investment valuation policies and fair value disclosures in note 12 "Fair Value Information" for compliance with IFRS.

Our application of materiality and an overview of the scope of our audit
Materiality for the financial statements as a whole was set at $2,576,000, determined with reference to a benchmark of net assets of $128,822,167, of which it represents approximately 2.0% (2021: 2.0%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole. Performance materiality for the Company was set at 75% (2021: 75%) of materiality for the financial statements as a whole, which equates to $1,932,000. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding $128,000, in addition to other identified misstatements that warranted reporting on qualitative grounds.

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

Going concern
The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are 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 business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risk that we considered most likely to affect the Company's financial resources or ability to continue operations over this period was availability of capital to meet operating costs and other financial commitments.

We considered whether this risk could plausibly affect the liquidity in the going concern period by comparing severe, but plausible downside scenarios that could arise from this risk against the level of available financial resources indicated by the Company's financial forecasts.

We considered whether the going concern disclosure in note 2(b) to the financial statements gives a full and accurate description of the directors' assessment of going concern.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period; and
- we have nothing material to add or draw attention to in relation to the directors' statement in the notes 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 the going concern period, and that statement is materially consistent with the financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Independent Auditor's Report

to the Members of VietNam Holding Limited (continued)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of management as to the Company's policies and procedures to prevent and detect fraud as well as enquiring whether management have knowledge of any actual, suspected or alleged fraud;
- reading minutes of meetings of those charged with governance; and
- using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the Company's revenue streams are simple in nature with respect to accounting policy choice, and are easily verifiable to external data sources or agreements with little or no requirement for estimation from management. We did not identify any additional fraud risks.

We performed procedures including

- Identifying journal entries and other adjustments to test based on risk criteria and comparing any identified entries to supporting documentation; and
- incorporating an element of unpredictability in our audit procedures.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence, if any, and discussed with management the policies and procedures regarding compliance with laws and regulations. As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or impacts on the Company's ability to operate. We identified financial services regulation as being the area most likely to have such an effect, recognising the regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as this may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

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

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

Disclosures of emerging and principal risks and longer term viability

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge. we have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the Viability Statement (page 41 - 43) that they have carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity;
- the emerging and principal risks disclosures describing these risks and explaining how they are being managed or mitigated;
- the directors' explanation in the Viability Statement (page 41 - 43) as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the Viability Statement, set out on page 41 - 43 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the directors' statement that they consider that theannual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess theCompany's position and performance, business model and strategy;
- the section of theannual report describing the work of the Audit Committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of theannual report that describes the review of the effectiveness of theCompany's risk management and internal control systems.

Independent Auditor's Report

to the Members of VietNam Holding Limited (continued)

Corporate governance disclosures (continued)

We are required to review the part of Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review. We have nothing to report in this respect.

We have nothing to report on other matters on which we are required to report by exception

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

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

Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 45, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

The purpose of this report and restrictions on its use by persons other than the Company's members as a body

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

Andrew J. Salisbury
For and on behalf of KPMG Channel Islands Limited
Chartered Accountants and Recognised Auditors
Guernsey

30 September 2022

Statement of Financial Position

As at 30 June 2022

	Notes	2022 USD	2021 USD
Assets			
Non-current assets			
Investments at fair value through profit or loss	3	**120,957,996**	193,108,385
Total non-current assets		**120,957,996**	**193,108,385**
Current assets			
Cash and cash equivalents		**8,160,681**	6,031,337
Prepayments		-	9,290
Accrued dividends and interest		**58,772**	30,153
Receivables on sale of investments		-	1,239,041
Total current assets		**8,219,453**	**7,309,821**
Total assets		**129,177,449**	**200,418,206**
Equity			
Share capital	5	**166,645,041**	166,645,041
Reserve for own shares	5	**(165,709,783)**	(106,170,790)
Retained earnings		**127,886,909**	135,606,219
Total equity		**128,822,167**	**196,080,470**
Liabilities			
Payables on purchase of investments		-	3,905,824
Accrued expenses		**355,282**	431,912
Total liabilities		**355,282**	**4,337,736**
Total equity and liabilities		**129,177,449**	**200,418,206**

The financial statements on pages 52 to 69 were approved by the Board of Directors on 30 September 2022 and were signed on its behalf by

Hiroshi Funaki
Chairman of the Board of Directors

Philip Scales
Chairman of the Audit and Risk Committee

The accompanying notes on pages 56 to 69 form an integral part of these financial statements.

Statement of Comprehensive Income

For the year ended 30 June 2022

	Notes	2022 USD	2021 USD
Dividend income from equity securities at fair value through profit or loss		1,811,555	2,390,216
Net gain/(loss) from investments at fair value through profit or loss	7	(5,211,105)	100,730,119
Net foreign exchange (loss)/gain		(67,666)	(1,896)
Interest income from investments at fair value through profit or loss		-	694,162
Other income		-	163,128
Net investment gain/(loss)		**(3,467,216)**	103,975,729
Investment management fees	8	2,737,804	2,438,087
Advisory fees		15,715	111,579
Directors' fees and expenses	8	385,292	328,690
Custodian fees	9	152,863	146,875
Administrative and accounting fees	10	216,939	219,271
Audit fees		71,428	78,758
Other expenses		672,053	498,581
Total operating expenses		**4,252,094**	3,821,841
Income/(loss) for the year		**(7,719,310)**	100,153,888
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		**(7,719,310)**	100,153,888
Basic and diluted earnings per share	14	(0.24)	2.19

The accompanying notes on pages 56 to 69 form an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2022

	Share capital USD	Reserve for own shares USD	Retained earnings USD	Total USD
Balance at 1 July 2020	166,645,041	(84,813,068)	35,452,331	117,284,304
Total comprehensive income for the year				
Change in net assets attributable to shareholders	-	-	100,153,888	100,153,888
Total comprehensive income for the year	-	-	100,153,888	100,153,888
Transactions in shares				
Repurchase of own shares	-	(21,357,722)	-	(21,357,722)
Total transactions in shares	-	(21,357,722)	-	(21,357,722)
Balance at 30 June 2021	166,645,041	(106,170,790)	135,606,219	196,080,470
Balance at 1 July 2021	**166,645,041**	**(106,170,790)**	**135,606,219**	**196,080,470**
Total comprehensive loss for the year				
Change in net assets attributable to shareholders	**-**	**-**	**(7,719,310)**	**(7,719,310)**
Total comprehensive loss for the year	**-**	**-**	**(7,719,310)**	**(7,719,310)**
Transactions in shares				
Repurchase of own shares	**-**	**(59,538,993)**	**-**	**(59,538,993)**
Total transactions in shares	**-**	**(59,538,993)**	**-**	**(59,538,993)**
Balance at 30 June 2022	**166,645,041**	**(165,709,783)**	**127,886,909**	**128,822,167**

The accompanying notes on pages 56 to 69 form an integral part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2022

	Notes	2022 USD	2021 USD
Cash flows from operating activities			
Total comprehensive income/(loss) for the year		**(7,719,310)**	100,153,888
Adjustments to reconcile total comprehensive income/(loss) to net cash from operating activities:			
Dividend income		**(1,811,555)**	(2,390,216)
Interest income		**-**	(694,162)
Net loss/(gain) from investments at fair value through profit or loss	7	**5,211,105**	(100,730,119)
Net foreign exchange loss		**67,666**	1,896
Purchase of investments		**(78,323,705)**	(87,370,357)
Proceeds from sale of investments		**145,262,989**	110,054,346
Changes in working capital			
Decrease/(increase) in receivables on sale of investments		**1,239,041**	(1,239,041)
(Decrease)/increase in payables on purchase of investments		**(3,905,824)**	3,728,278
(Decrease)/increase in accrued expenses		**(76,630)**	146,408
Decrease/(increase) in prepayments		**9,290**	(9,290)
Dividends received		**1,690,983**	2,392,036
Interest received		**91,953**	786,115
Net cash from operating activities		**61,736,003**	24,829,782
Cash flows used in financing activities			
Repurchase of own shares		**(59,538,993)**	(21,357,722)
Net cash used in financing activities		**(59,538,993)**	(21,357,722)
Net increase in cash and cash equivalents		**2,197,010**	3,472,060
Cash and cash equivalents at beginning of the year		**6,031,337**	2,561,173
Effect of exchange rate fluctuations on cash held		**(67,666)**	(1,896)
Cash and cash equivalents at end of the year		**8,160,681**	6,031,337

The accompanying notes on pages 56 to 69 form an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2022

1. The Company

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

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

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

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

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

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

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

The registered office of the Company is 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) share buybacks and tender offers. The Directors note that the underlying liquidity of Vietnamese stocks has increased over the last twelve months with average daily traded volumes increasing by as much as 5x the level of the prior year. The Directors also note that the portfolio is composed of a higher percentage of larger and more liquid stocks than in the prior year. Lastly, the Directors note that at year-end the portfolio

Notes to the Financial Statements

For the year ended 30 June 2022 (continued)

2. Significant Accounting Policies (continued)

is comprised of cash and quoted stocks only. The Company's liquidity position, taking into account cash held and with the ability to sell underlying assets to meet share buybacks, tenders and to meet the operating costs of the Company, shows that the Company is able to operate with appropriate liquidity and be able to meet its liabilities as they fall due. The fund has a formal continuation vote in 2023 and it is the current intention of the Board to table a continuation resolution at the 2023 Annual General meeting. 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.

Critical accounting estimates and judgements

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

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

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

Functional currency

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

Fair value of financial instruments

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

(c) Foreign currency translation

Transactions in foreign currencies other than the functional currency are translated at the applicable rates on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated to USD at the applicable rates on the year-end date. Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are included in the Statement of Comprehensive Income. Foreign currency exchange differences relating to investments at fair value through profit or loss are included in the realised and unrealised gains and losses on those investments within "Net gain/(loss) from investments at fair value through profit or loss" on the Statement of Comprehensive Income. All other foreign currency exchange differences relating to other monetary items, including cash and cash equivalents, are included in net foreign exchange gains and losses in the Statement of Comprehensive Income.

(d) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Classification

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

Financial assets

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

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

Financial assets measured at amortised cost

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

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

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

(a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or

(b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or

(c) At initial recognition, it is irrevocably designated as measured at FVTPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Company measures all its investments at FVTPL.

(ii) Recognition and initial measurement

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

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

(iii) Subsequent measurement

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

(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.

Notes to the Financial Statements

For the year ended 30 June 2022 (continued)

2. Significant Accounting Policies (continued)

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

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

(v) Fair value measurement

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

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

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

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

Any increases or decreases in fair value are recognised in the Statement of Comprehensive Income as an unrealised gain or loss from investments at FVTPL.

(vi) Impairment of financial assets

At each reporting date, the Company measures the loss allowance on financial assets carried at amortised cost at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses. The expected credit losses are estimated using a provision matrix based on the Company's historical credit loss experience adjusted for factors that are specific to the accounts receivables, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and exposure at the default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

(vii) Cash and cash equivalents

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

(e) Offsetting

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

(f) Share capital

Ordinary shares

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

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

Where the Company purchases its own share capital, the consideration paid, which includes any directly attributable costs, is recognised as a deduction from equity shareholders' funds through the Company's reserves for own shares. The reserves for own shares represents share capital which can be reissued in the future or subsequently cancelled. When such shares are subsequently sold or re-issued to the market any consideration received, net of any directly attributable incremental transaction costs, is recognised as an increase in equity shareholders' funds through the reserve of own shares account. The Directors have cancelled all the shares repurchased during the current and the previous year.

(g) Tax

Tax expense comprises current tax. Current tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

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

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

The Company is liable to Vietnamese transactional tax of 0.1% (2021: 0.1%) on the sales proceeds of the onshore sale of equity investments. The related taxes on onshore sales proceeds are accounted for at net amount in the Statement of Comprehensive Income.

(h) Interest income and expense

Interest income and expense is recognised in the Statement of Comprehensive Income using the effective rate method. The effective interest rate method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument – or, when appropriate, a shorter period – to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Directors estimate cash flows considering all contractual terms of the financial instrument but do not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

(i) Dividend income

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

(j) Fee and commission expense

Fees and commission expenses are recognised in the Statement of Comprehensive Income as the related services are performed.

(k) Earnings per share

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

3. Financial Instruments and Associated Risks

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

Notes to the Financial Statements

For the year ended 30 June 2022 (continued)

3. Financial Instruments and Associated Risks (continued)

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:

	2022		2021	
	Fair value in USD	% of net assets	Fair value in USD	% of net assets
Investments in listed securities	120,957,996	93.90	193,108,385	98.48
Investments in unlisted securities	—	—	-	-
	120,957,996	93.90	193,108,385	98.48

At 30 June 2022, a 5% reduction in the market value of the portfolio would have led to a reduction in NAV and profit or loss of USD 6,047,900 (2021: USD 9,655,419). 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 2022, the Company had the following foreign currency exposures:

	Fair value	
	2022 USD	**2021 USD**
Vietnamese Dong	**128,235,094**	195,378,974
Pound Sterling	**632,133**	3,903
Swiss Franc	**163**	2,628
Euro	**4,497**	54,097
	128,871,887	195,439,602

At 30 June 2022, a 5% reduction in the value of the Vietnamese Dong, Pound Sterling, Swiss Franc, Euro versus the US Dollar would have led to a reduction in NAV and profit or loss of USD 6,411,755 (2021: USD 9,768,949), USD 31,607 (2021: USD 195), USD 8 (2021: USD 131) and USD 225 (2021: USD 2,705) 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 2022, the following financial assets were exposed to credit risk (including settlement risk): cash and cash equivalents, receivables on sale of investments and accrued dividends and interest. The total amount of financial assets exposed to credit risk amounted to USD 8,219,453 (2021: USD 7,300,531).

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 2022, 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 (2021: A by Standard and Poor's, A1 by Moody's and A+ by Fitch).

Financial assets subject to IFRS 9's impairment requirements

The Company's financial assets subject to the expected credit loss model within IFRS 9 are cash and cash equivalents, and short-term receivables, including accrued dividends and interest, and receivables on sale of investments. As at 30 June 2022, the total of cash and cash equivalents, and short-term receivables was USD 8,219,453 (2021: USD 7,300,531). The Directors assessed the lifetime expected credit loss as at 30 June 2022 and concluded it to be immaterial (2021: loss immaterial). There is not considered to be any concentration of credit risk within these assets. No assets are considered impaired and no amounts have been written off in the year.

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

Notes to the Financial Statements

For the year ended 30 June 2022 (continued)

3. Financial Instruments and Associated Risks (continued)

Liquidity risk

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

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

The Board has considered that there may be periods of time when parts of the portfolio are prone to higher liquidity risk, but is satisfied overall that the fixed liabilities of the Company can be met by income or from selling sufficient marketable securities even at periods of higher illiquidity.

Payables on purchase of investments and accrued expenses are generally payable within one year.

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

	On demand USD	0 to 1 month USD	1 to 3 months USD	Over 3 months to 5 years USD	No fixed maturity USD	Total USD
2022						
Cash and cash equivalents	8,160,681	—	—	—	—	8,160,681
Investment at fair value through profit and loss	—	—	—	—	120,957,996	120,957,996
Accrued dividends	—	—	58,772	—	—	58,772
Total financial assets	8,160,681	—	58,772	—	120,957,996	129,177,449
Accrued expenses	—	—	355,282	—	—	355,282
Total financial liabilities	—	—	355,282	—	—	355,282
2021						
Cash and cash equivalents	6,031,337	—	—	—	—	6,031,337
Investment at fair value through profit and loss	—	—	—	—	193,108,385	193,108,385
Accrued dividends	—	—	30,153	—	—	30,153
Receivables on sale of investments	—	1,239,041	—	—	—	1,239,041
Total financial assets	6,031,337	1,239,041	30,153	—	193,108,385	200,408,916
Payables in purchase of investments	—	3,905,824	—	—	—	3,905,824
Accrued expenses	—	—	431,912	—	—	431,912
Total financial liabilities	—	3,905,824	431,912	—	—	4,337,736

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 2022, no individual investment exceeded 20% of the net assets attributable to Shareholders (2021: none).

All of the Company's investments in securities at fair value are in Vietnam as at 30 June 2022 and 30 June 2021. All of the Company's investment income can be attributed to Vietnam for the years ended 30 June 2022 and 30 June 2021.

5. Share Capital

Ordinary shares of USD 1 each

Pursuant to its redomiciliation to Guernsey, the Company re-registered with an authorised share capital of USD 200,000,000 divided into 200,000,000 shares of a nominal or par value of USD 1.00 each. In line with the Company's new Articles of Incorporation, the Company may from time to time repurchase all or any portion of the shares held by the Shareholders upon giving notice of not less than 30 calendar days.

On 8 March 2019 the Company's ordinary shares were cancelled from trading on AIM and admitted to the Premium segment of the Official List and trading on the Main Market. On the same date the Company's shares were admitted to listing and trading on the TISE.

	2022 No. of shares	2021 No. of shares
Total shares issued and fully paid (after repurchases and cancellations) at beginning of the year	**42,623,935**	50,814,865
Shares issued upon exercise of warrants during the year	—	—
Shares cancellation	**(13,398,268)**	(8,190,930)
	29,225,667	42,623,935
Repurchased and reserved for own shares		
At beginning of the year	—	—
During the year	**(13,398,268)**	(8,190,930)
Shares reissued to ordinary shares	—	—
Shares cancellation	**13,398,268**	8,190,930
Total outstanding ordinary shares with voting rights	**29,225,667**	42,623,935

As a result, as at 30 June 2022 the Company has 29,225,667 (2021: 42,623,935) ordinary shares with voting rights in issue (excluding the reserve for own shares), and Nil (2021: Nil) are held as reserve for own shares.

Reserve for own shares

Reserve for own shares are the Company's own shares which had been repurchased. The amount represents share capital which can be reissued in the future or subsequently cancelled. All reserves are available for distribution subject to a solvency assessment.

Notes to the Financial Statements

For the year ended 30 June 2022 (continued)

5. Share Capital (continued)

During the year ended 30 June 2022 the Company repurchased and cancelled 661,084 ordinary shares (2021: 605,681 ordinary shares) under the Company's share buyback programme (representing 1.6% of the ordinary shares outstanding at 1 July 2021) at a weighted average NAV discount of 21.3%. This resulted in a 0.25% accretion to NAV per share.

The Company repurchased and cancelled a further 12,737,184 shares during the year ended 30 June 2022 following a tender offer for 30% of the Company's ordinary shares at a 2% discount to the prevailing NAV per share as at 31 August 2021 (2021: 7,585,249 ordinary shares).

Total ordinary shares repurchased and cancelled during the year were 13,398,268 (2021: 8,190,930).

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

Capital Management

The Company does not have any externally imposed capital requirements.

The Company's general intention is to reinvest the capital received on the sale of investments. However, the Board may from time to time and at its discretion, either use the proceeds of sales of investments to meet the Company's expenses or distribute them to Shareholders. Alternatively, the Company may repurchase its own ordinary shares with such proceeds from Shareholders pro rata to their shareholding upon giving notice of not less than 30 calendar days to Shareholders (subject always to applicable law) or repurchase ordinary shares at a price not exceeding the last published NAV per share.

6. Net Assets Attributable to Shareholders

Total equity of USD 128,822,167 (2021: USD 196,080,470) represents net assets attributable to Shareholders. NAV per share as at 30 June 2022 is USD 4.408 (2021: USD 4.600).

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

	2022 USD	2021 USD
Realised (loss)/gain on disposal of investments	**50,172,287**	15,275,568
Realised foreign currency gain/(loss)	**253,204**	(326,765)
Unrealised (loss)/gain on investments at fair value through profit or loss	**(54,419,413)**	84,667,613
Unrealised foreign currency (loss)/gain	**(1,217,183)**	1,113,703
	(5,211,105)	100,730,119

8. Related Party Transactions

Investment management fees

The Company entered into a new investment management agreement with Dynam Capital, Ltd on 26 June 2018. The agreement was amended and restated on 8 October 2018 and further amended and restated on 1 October 2020. The Board and the Investment Manager agreed to modify the management fee (previously on a sliding scale of 1.5% per annum on NAV below USD 300 million, 1.25% per annum on NAV between USD 300 – USD 600 million, and 1.0% per annum on NAV above USD 600 million) effectively from 1 November 2020.

Pursuant to the agreement the Investment Manager is entitled to receive a monthly management fee, paid in the manner set out as below:

- On the amount of the Net Asset Value of the Company up to but excluding USD 300 million, one-twelfth of 1.75%;
- On the amount of the Net Asset Value of the Company between and including USD 300 million up to and including USD 600 million, one-twelfth of 1.5%; and
- On the amount of the Net Asset Value of the Company that exceeds USD 600 million, one-twelfth of 1%.

The management fee accruing to the Investment Manager for the year ended 30 June 2022 was USD 2,737,804 (2021: USD 2,438,087). An amount of USD 200,421 (30 June 2021: USD 273,919) was outstanding as at 30 June 2022.

Directors' fees and expenses

The Board determines the fees payable to each Director, subject to a maximum aggregate amount of USD 350,000 (2021: USD 350,000) per annum being paid to the Board 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 317,859 (2021: USD 313,443) and expenses were USD 67,433 (2021: USD 15,247). The total Directors' fees and expenses for the year were USD 385,292 (2021: USD 328,690).

As at 30 June 2022, USD 9,012 (2021: 8,250) of Directors' fees were outstanding.

Directors' ownership of shares

As at 30 June 2022, Directors held 44,920 ordinary shares in the Company (2021: 48,861) as listed below.

Hiroshi Funaki	19,887	Shares	(disposed of 6,756 shares during the year and purchased a further 6,000 shares during the year)
Sean Hurst	5,312	Shares	(disposed of 5,206 shares and purchased a further 3,300 shares during the year)
Philip Scales	10,077	Shares	(disposed 3,273 shares and purchased a further 3,350 shares during the year)
Damien Pierron	4,644	Shares	(disposed 3,606 shares and purchased 3,350 shares during the year)
Saiko Tajima	5,000	Shares	

Mr. Funaki is also a Director of Discover Investment Company which holds 1,405,776 ordinary shares in the Company representing 4.81% of the issued share capital. Discover Investment Company disposed of 916,905 shares during the year.

Mr Craig Martin, Chairman of the Investment Manager holds 59,686 shares in the Company. During the year he participated in the tender offer tendering 26,887 shares and repurchased a further 5,000 shares during the year.

9. Custodian Fees

Custodian fees are charged at a minimum of USD 12,000 (2021: 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 (2021: 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 152,863 (2021: USD 146,875), of which USD 13,000 (2021: USD 16,000) were outstanding at year end.

Notes to the Financial Statements

For the year ended 30 June 2022 (continued)

10. Administrative and Accounting Fees

In accordance with the new Administration Agreement between the Company and Sanne Group (Guernsey) Limited (the "Administrator") dated 7 October 2019, the Administrator is entitled to receive a fee of 0.08% per annum of NAV up to USD 100,000,000, 0.07% of NAV thereafter subject to a minimum fee of USD 140,000 per annum. The administration fees are accrued monthly and are payable quarterly in advance. The charges for the year for Administration fees were USD 139,207 (2021: USD 138,460), of which USD 1,130 (2021: USD 2,693) 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 77,731 (2021: USD 80,810), of which USD 5,303 (2021: USD 8,070) were outstanding at year end.

Total administrative and accounting fees for the year were USD 216,938 (2021: USD 219,271).

11. Controlling Party

The Directors are not aware of any ultimate controlling party as at 30 June 2022 or 30 June 2021.

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
2022				
Financial assets classified at fair value upon initial recognition				
Investments in securities	**120,957,996**	**—**	**—**	**120,957,996**
2021				
Financial assets classified at fair value upon initial recognition				
Investments in securities	193,108,385	—	—	193,108,385

There were no transfers between levels during the year.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Assessing whether an input is significant requires judgement including consideration of factors specific to the asset or liability. Moreover, if a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that fair value measurement is a Level 3 measurement.

There are no level 3 assets held at 30 June 2022 (2021: Nil).

13. Classifications of Financial Assets and Liabilities

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

	Fair value through Profit or loss USD	Loans and receivables USD	Other liabilities USD	Total carrying amount USD
2022				
Cash and cash equivalents	**—**	**8,160,681**	**—**	**8,160,681**
Investment in securities at fair value	**120,957,996**	**—**	**—**	**120,957,996**
Accrued dividends	**—**	**58,772**	**—**	**58,772**
	120,957,996	**8,219,453**	**—**	**129,177,449**
Accrued expenses	**—**	**—**	**355,282**	**355,282**
	—	**—**	**355,282**	**355,282**
2021				
Cash and cash equivalents	—	6,031,337	—	6,031,337
Investment in securities at fair value	193,108,385	—	—	193,108,385
Accrued dividends	—	30,153	—	30,153
Receivables on sale of investments	—	1,239,041		1,239,041
	193,108,385	7,300,531	—	200,408,916
Payables in purchase of investments	—	—	3,905,824	3,905,824
Accrued expenses	—	—	431,912	431,912
	—	—	4,337,736	4,337,736

Notes to the Financial Statements

For the year ended 30 June 2022 (continued)

14. Earnings Per Share

The calculation of basic and diluted earnings per share at 30 June 2022 was based on the total comprehensive loss for the year attributable to Shareholders of USD 7,719,310 (2021: Income of USD 100,153,888) and the weighted average number of shares outstanding of 31,987,327 (2021: 45,761,268).

15. New and Amended Standards and Interpretations

(i) Standards and amendments to existing standards effective 1 July 2021

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 2022 that have been early adopted by the Company

There are no standards effective after 30 June 2022 that are relevant to the Company.

16. Events After the Reporting Date

From 1 July 2022 to the date of signing these financial statements, there were no material events that require disclosures and/ or adjustments in these financial statements.

Alternative Performance Measures ("APMs")

Discount or Premium

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

	Page		30 June 2022
NAV per ordinary share (pence)	1	a	363.0
Ordinary share price (pence)	1	b	309.5
Discount	1	((b-a)/a)	14.7%

Ongoing charges

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

The ongoing charges for the year ended 30 June 2022 were 2.74%.

	Page		30 June 2022 USD
Average NAV	1	a	155,041,007
Operating expenses	1	b	4,242,306
Ongoing charges	1	b/a	2.74%

a) Average NAV

Calculated using twelve monthly closing average NAV for the year ended 30 June 2022.

b) Operating expenses

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

	Page		USD
Total annual expenses	53	c	4,252,094
Less: non-recurring expenses		d	(9,788)
Operating expenses		b=c+d	4,242,306

Corporate Information

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

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