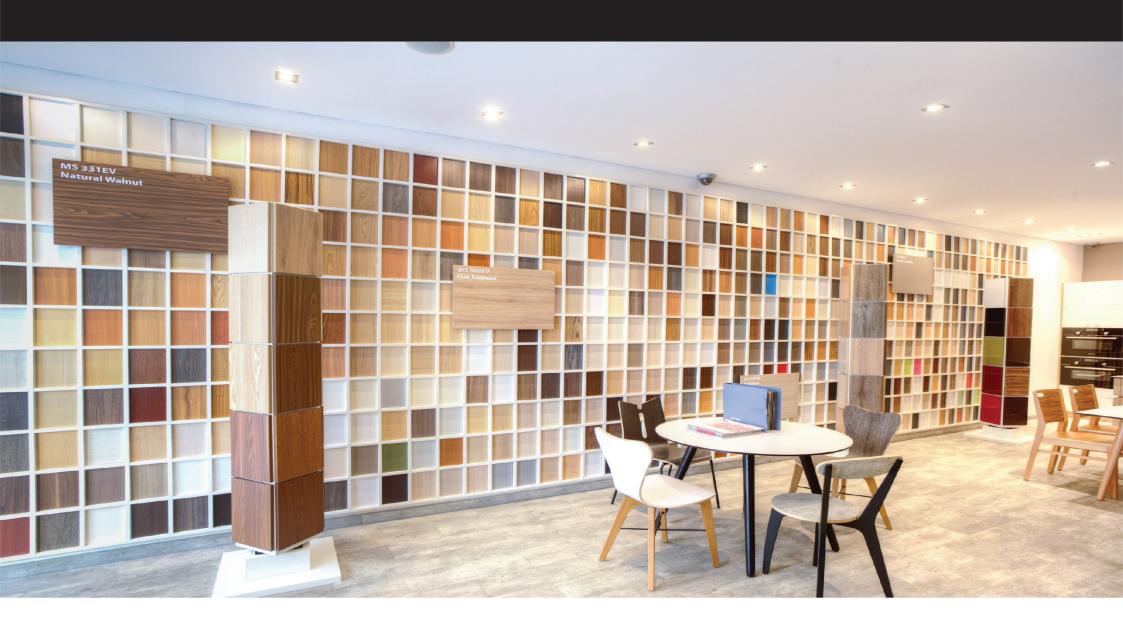
VinaCapital Vietnam Opportunity Fund Limited Annual Report and Financial Statements for the year ended 30 June 2016



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Cover: An Cuong Wood-Working, a recent private equity investment made by the Company in 2016. An Cuong Wood-Working provides components and accessories for the furniture industry. An Cuong Wood-Working is Vietnam's leading manufacturer of construction material laminates and kitchen fittings.

VinaCapital Vietnam Opportunity Fund Limited ("the Company") is a Guernsey domiciled closed-ended investment company. The Company was previously a limited liability company incorporated in the Cayman Islands. At an Extraordinary General Meeting held on 27 October 2015, Shareholders approved proposals to change the Company's domicile to Guernsey. This change took place on 22 March 2016. The Company is now classified as a registered closed-ended Collective Investment Scheme under the Protection of Investors (Bailiwick of Guernsey) Law 1987 and is subject to the Companies (Guernsey) Law, 2008.

On 30 March 2016, the Company's shares were cancelled from trading on Alternative Investment Market ("AIM") and admitted to the Main Market of the LSE with a Premium Listing.

The Company does not have a fixed life but the Board has determined that it is desirable that Shareholders should have the opportunity to review the future of the Company at appropriate intervals. Accordingly, the Board intends that a special resolution will be proposed every fifth year that the Company ceases to continue. If the resolution is not passed, the Company will continue to operate as presently constituted. If the resolution is passed, the Directors will be required to formulate proposals to be put to Shareholders to reorganise, unitise or reconstruct the Company or for the Company to be wound up. In July 2013, the Board tabled such a special resolution but it was not passed, allowing the Company to continue as presently constituted for a further five years.

GENERAL INFORMATION

The Company adopted the following revised investment objective and investment policy at an Extraordinary General Meeting on 27 October 2015:

Investment Objective

The Company's objective is to achieve medium to long-term returns through investment either in Vietnam or in companies with a substantial majority of their assets, operations, revenues or income in, or derived from, Vietnam.

Investment Policy

All of the Company's investments will be in Vietnam or in companies with at least 75 per cent ("%") of their assets, operations, revenues or income in, or derived from, Vietnam at the time of investment.

No single investment may exceed 20% of the net asset value of the Company at the time of investment.

The Company may from time to time invest in other funds focused on Vietnam. This includes investments in other funds managed by VinaCapital Investment Management Limited (the "Investment Manager"). Any investment or divestment of funds managed by the Investment Manager will be subject to prior approval by the Board. No more than 10%, in aggregate, of the value of the Company's total assets may be invested in other listed closed-ended investment funds. The restriction on investment in other listed closed-ended investment funds does not apply to investments in closed-ended investment funds which themselves have published investment policies to invest no more than 15% of their total assets in other listed closed-ended investment funds.

The Company may from time to time make co-investments alongside other investors in private equity, real estate or similar assets. This includes, but is not restricted to, co-investments alongside other funds managed by the Investment Manager.

The Company may gear its assets through borrowings which may vary substantially over time according to market conditions and any or all of the assets of the Company may be pledged as security for such borrowings. Borrowings are not to exceed 10% of the Company's total assets at the time that any debt is drawn down.

From time to time the Company may hold cash or low risk instruments such as government bonds or cash funds denominated in either Vietnamese Dong or US Dollars, either in Vietnam or outside Vietnam.

INVESTING POLICY

Years ended 30 June	2009	2010	2011	2012	2013	2014	2015	2016
Statement of Income (USD'000)								
Total income from ordinary activities Total expenses from ordinary	29,075	134,263	(8,420)	54,556	120,239	111,510	12,132	119,137
activities	(25,869)	(29,047)	(27,214)	(25,424)	(29,515)	(22,527)	(17,504)	(23,067)
Operating profit/(loss) before income tax Income tax expense	3,206 (108)	105,216 (211)	(35,634) (545)	29,132 (700)	90,724 (672)	88,983 -	(5,372) –	96,070 –
Profit/(loss) for the year Minority interests	3,098 (3,684)	105,005 311	(36,179) 106	28,432 -	90,052 (202)	88,983 -	(5,372) -	96,070 –
Profit/(loss) attributable to ordinary equity holders	6,782	104,694	(36,285)	28,432	90,254	88,983	(5,372)	96,070
Statement of Financial Position (USD'000)								
Total assets	718,023	793,820	764,603	775,455	743,868	781,645	723,744	796,386
Total liabilities	36,111	11,319	12,697	9,810	9,171	10,265	5,080	9,850
Net assets	681,912	782,501	751,906	765,645	734,697	771,380	718,664	786,536

HISTORICAL FINANCIAL INFORMATION*

Years ended 30 June	2009	2010	2011	2012	2013	2014	2015	2016
Share information								
Basic earnings/(loss)								
per share (cents per share)		32.00	(11.00)	9.00	31.00	36.00	(2.00)	45.00
Share price at 30 June (USD)		1.40	1.57	1.50	2.13	2.50	2.50	2.82
Share price at 30 June (GBP)	**							2.11
Ordinary share capital								
(thousand shares)	324,610	324,610	324,610	312,536	261,376	238,255	219,958	208,646
Market capitalisation at								
30 June (USD'000)**	462,569	455,428	509,313	468,803	556,731	595,638	549,894	588,382
Market capitalisation at								
30 June (GBP'000)**								440,243
Net asset value								
per ordinary share (USD)	2.10	2.41	2.32	2.45	2.81	3.24	3.27	3.77
Net asset value per ordinary								
share (GBP)**								2.82
Ratio								
Return on average ordinary	4 4 0 /	17.00/	(C 00()	4.007	14.00/	15.00/	1.00/	10.00/
shareholder's funds	1.1%	17.0%	(6.0%)	4.0%	14.8%	15.9%	1.0%	12.8%
Ongoing charges***	2.2%	2.2%	2.1%	2.1%	2.1%	2.9%	2.2%	3.0%

^{*} Until 1 July 2014, the financial statements were prepared on a consolidated basis. From 1 July 2014, the financial statements of the Company are prepared on a stand-alone basis in accordance with International Financial Reporting Standards ("IFRS") 10.

^{**} Following the change of domicile to Guernsey the Company's shares are now quoted in Pound Sterling. USD Net Asset Value ("NAV") per share is translated to Pound Sterling ("GBP") using the rate of exchange at 30 June 2016.

^{***} Ongoing charges have been prepared in accordance with the Association of Investment Companies ("AIC") recommended methodology. The increase in ongoing charges for the year ended 30 June 2016 is due to the increase in incentive fee (see note 14 to the Financial Statements).

In the year to 30 June 2016, the Company's NAV per share increased in US Dollar terms by 15.3% to USD3.77, while the Company's share price rose by 12.8% to USD2.82, from the same period a year ago.

On 30 March 2016, the Company completed its Premium Listing on the Main Market of the LSE after 12 years of being quoted on the Alternative Investment Market. At the same time the Company migrated from the Cayman Islands and registered in Guernsey (in the Channel Islands). The shares are now quoted in GBP.

As at 30 June 2016 USD	As at 30 June 2015 USD	As at 30 June 2014 USD
786.54	718.66	771.38
3.77	3.27	3.24
15.3%	0.9%	15.3%
0.45	(0.02)	0.36
2.82	2.50	2.50
12.8%	0.0%	17.6%
25.2%	23.5%	23.0%
	30 June 2016 USD 786.54 3.77 15.3% 0.45 2.82 12.8%	30 June 2016 USD 786.54 718.66 3.77 3.27 15.3% 0.9% 0.45 (0.02) 2.82 2.50 12.8% 0.0%

The Company's share price discount to NAV widened to 25.2% as at 30 June 2016, from 23.5% a year ago, despite good growth in NAV per share. Nevertheless, there have been periods during the year when the discount was closer to or below 20.0%, and reducing the discount remains an area of focus for both the Board and the Investment Manager.

The Vietnam Ho Chi Minh Stock Index ("VN Index"), the main stock market index in Vietnam, increased by 4.3% in US Dollar terms during the year ended 30 June 2016. Over the same period, the value of the capital markets component of VOF's portfolio increased by 22.3%, significantly outperforming the VN Index. This outperformance is mainly attributable to several large positions including Vinamilk ("VNM"), Phu Nhuan Jewelry ("PNJ"), and Hoa Phat Group ("HPG"), which increased by 24.8%, 94.9% and 37.0%, respectively.

During the twelve month period ended 30 June 2016, the Company spent USD28.2 million to repurchase 11.3 million shares. Since the commencement of the share buyback programme on 25 October 2011, the Company has spent USD241.5 million to repurchase 116.0 million shares, representing 35.7% of the total shares then in issue. Both the Board and the Investment Manager believe that the share buyback programme should help narrow the discount of the Company's share price to its NAV per share.

FINANCIAL HIGHLIGHTS

Dear Shareholder,

After a relatively pedestrian 2015, the 2016 financial year marked a return to form for the Company, with a rise in NAV per share of 15.3% in US Dollar terms. In this statement, I want to give some colour on how this return was achieved, comment on the development of the Company's strategy and bemoan the fact that, despite real progress on the investment and governance fronts, the discount remains disappointingly high. Finally, I will set out some thoughts on where the Company is seeking to add value in the years ahead.

Performance

The Company's performance in the 2016 financial year represented a substantial improvement across all investment categories compared to the lacklustre results in 2015. We saw positive performance in each of the sub-components of the portfolio, the details of which are included in the Investment Manager's report that follows.

The portfolio of listed equities represented 47.9% of total net assets at the end of June 2016, down from 52.4% at the last financial year end. This part of the portfolio returned 22.3% in US Dollar terms, substantially outperforming the VN Index, which rose by 4.3% on a comparable basis. At the close of the financial year we divested our stake in Hau Giang Pharmaceuticals (DHG) to Taisho, a leading Japanese pharmaceutical company. DHG had represented one of our top 10 holdings and the Investment Manager succeeded in divesting the block to a strategic investor at a significant premium to the prevailing market price at the time. The Investment Manager discusses this transaction along with other activities in the listed equities portfolio in its report.

Over-the-counter ("OTC") traded securities, namely those companies going through the privatisation process and moving toward active public trading, accounted for 8.4% of the portfolio, an increase from last year's weight of 6.5%¹. During the year, the Company purchased a stake in Airport Corporation of Vietnam, one of the more high-profile privatisations that has come to the market. The Investment Manager would have liked to have been able to deploy more capital in this area, having had considerable success in the past with investments such as Vinamilk, originally bought through the OTC process. However, the Government has made disappointing progress on its privatisation programme and the number of attractive opportunities has been limited.

Private equity investments accounted for 11.4% of the portfolio, compared to 9.5%¹ last year, and generated a return of minus 2.4% due to a modest revaluation of certain investments. The Investment Manager has been focusing on rebuilding this part of the portfolio, following a number of divestments in recent years. During the year the Company made significant new investments in An Cuong Woodworking in the construction materials sector, a co-investment with DEG of Germany, and in Thai Hoa International Hospital, a healthcare sector investment located in the Mekong Delta. Again, the Investment Manager has provided in its report more detail on these investments and has expanded on other activities in the private equity portfolio. The Investment Manager makes such

CHAIRMAN'S STATEMENT

¹ Prior year reclassification of certain assets were made to ensure consistency with current year classifications in line with financial statements disclosures.

investments with a time horizon which is relatively short by developed market standards, looking to 'lock in' an element of return and to achieve an exit within 2-4 years. The Company has had a successful historical track record in this area, having achieved annualised returns of 21.3%², and the Board is hopeful that the existing portfolio together with these new investments will offer attractive rates of return.

Finally, the year saw significant progress toward reducing our exposure to direct real estate, which represented 8.2% of assets at the year end, compared to 14.0%² at the end of the last financial year. The sale of interests in the Century 21 project, Danang Golf Club and Pham Hung yielded proceeds of USD50 million, which were at or in excess of their net asset values at the time of exit. This represents a turnaround from the difficulty in recent years of achieving attractive exits of significant direct real estate assets. This reflects an improvement in the real estate market as well as representing the culmination of long set plans to realise certain assets.

Operating assets, which are comprised primarily of the Sofitel Metropole Hotel in Hanoi, represented 9.2% of assets. The Investment Manager continues to evaluate options in this area.

Strategy

In previous years, I have set out our strategy in three main sections, and I reproduce those here:

- 1. We intend to reduce our exposure to direct real estate. As explained above, this year we have made progress on this front, but there is more work to do and the year ahead should see our exposure to direct real estate fall further. In the future, the intent is to ensure that our real estate exposure is more liquid and less exposed to developmental risk in the hands of the Investment Manager.
- 2. We continue to look to add to OTC and private equity assets, albeit opportunistically. Our experience suggests that these are areas where illiquidity is rewarded with superior returns. We are pleased to have made progress on this front and expect there to be further investments in these segments of the portfolio in the year ahead.
- 3. We retain the largest part of the portfolio in listed assets. Our approach here is differentiated from a conventionally diversified fund in that it comprises large positions where the Investment Manager looks to add value to a business by helping with the development of good governance and management practice as well as by offering strategic advice. Often, these companies began life in the portfolio as OTC assets. Nothing has changed with regard to this strategic objective.

² Annualised compound return of prior 5 financial years.

Discount Management

Yet again, it is disappointing to have to report that the discount to NAV remained little changed during the financial year, mostly range bound between 19% to 23%, only to widen and close at 25.2% at the year end. The Board anticipated that the relisting of the Company's shares with a Premium Listing on the Main Market of the LSE would improve liquidity and that entry into the FTSE All Share/Small Cap Index would lead to significant buying by index trackers. We also hoped that these factors would help to reduce the discount. The listing took place, and the Company was indeed added to the Index. Index trackers have been active buyers of shares as have new constituencies of retail investors, but as yet the effect on the discount has not been seen. It is important to note that in the three months between the relisting to 30 June 2016 the share price increased by 18.9% in Sterling terms (or 10.4% in US Dollar terms), while the NAV per share increased at a similar rate of 18.6% in Sterling terms (or 10.1% in US Dollar terms)³.

I know that I sound like a broken record, but lowering the discount remains a priority for the Board, and the continuation of the share buyback programme should help achieve that in conjunction with the other developments listed here. To these factors we must add a more active shareholder communications plan and the Investment Manager has placed an increased emphasis in maintaining relationships with existing investors as well as seeking new ones.

Shareholders may have noted that, over the past 5 months, the Company has not bought back any shares, despite the Board's commitment to the buyback programme. This is because we have had to suspend activity in order to comply with the provisions of the Market Abuse Regime, which came into effect in July this year. As you would expect, the Board is often aware of confidential potential portfolio transactions which are material and, in these circumstances, we have been advised that we must suspend the buyback. This does not mean that a significant transaction will happen, but that it might. The suspension does not mean that the Board's commitment to the buyback is lessened and as soon as we are able to re-commence buybacks we will do so.

During the financial year, we bought back USD28.2 million worth of shares, adding 1.8% to NAV per share. Since inception of the buyback programme in November 2011, the value of shares bought back totals USD241.5 million.

Migration to LSE Main Market

As foreshadowed in our last annual report, at the end of March 2016 the Company migrated its domicile from the Cayman Islands to Guernsey, and moved its listing to the LSE's Main Market, away from AIM. The Company also adopted a Sterling quote, one of the prerequisites for inclusion in the FTSE All-Share and Small-Cap Indices. The Company subsequently became the first Vietnam-focused company to be so included. As stated when we announced the decision to migrate, we believe these moves will, among other things, elevate the Company's visibility and attract a new and broader base of investors. Since moving to the Main Market on 30 March 2016 to 27 October 2016, the Company's stock price has increased by 39.5% in Sterling terms (or 18.2% in US Dollar terms).

³ Movement in share price and NAV per share as at 31 March 2016 compared to 30 June 2016.

Corporate Matters

Directorate

Following seven years of service on the Board, Mike Gray has decided to retire following the Annual General Meeting ("AGM"). Mike has been a fixture on the financial scene in Vietnam since 1993 and has made an outstanding contribution to the Company, combining a deep local perspective with the rigour to be expected of a former partner of a Big Four accounting firm. His knowledge of the investee companies, valuation subtleties and auditing knowledge will be hard to replicate. The Board would like to record its thanks to Mike for his involvement and dedication to the Company and wishes him well in the future.

In May 2016, Huw Evans joined the Board as a non-executive Director of the Company. Huw is a former partner of Phoenix Securities, a Chartered Accountant resident in Guernsey, and serves on the boards of two other LSE-listed companies. Huw will replace Mike as Chairman of the Audit Committee. Huw's experience and perspective will be very beneficial to the Company and I urge you to support his election at the forthcoming AGM.

Investment Management Agreement ("IMA")

As part of the change of domicile and relisting project, the Board agreed some amendments to the IMA to bring the agreement up to the standards to be expected of a Company with a Premium Listing on the LSE's Main Market. These are principally of a technical nature except insofar as concerns the fee section of the IMA. As reported, last year there was a difference of interpretation as to the terms of the incentive fee which resulted in a compromise between the Company and the Investment Manager. As part of that compromise, it was agreed that the IMA would be amended to reflect the interpretation of the Company and certain changes have been made to ensure that this is the case. The Board believes that the methodology now adopted reflects its view of the original intention and that the difference of opinion on the interpretation of the previous agreement with the manager is now settled to the Company's benefit.

Incentive fee - current year

Given the performance this financial year, an incentive fee has been earned by the Investment Manager on the Capital Markets pool. The total amount earned was USD8.2 million, which is equal to the cap which limits the total paid in any one year to 1.5% of the weighted average NAV of that pool. There was no fee earned in excess of the cap. Details of the incentive fee are set out in note 17(b) to the Financial Statements.

Outlook

Vietnam's economy has shown remarkable strength in the face of the significant headwinds that have affected many emerging and frontier economies. In 2015, Vietnam's 6.7% GDP growth was amongst the highest in the world, and while 2016 growth is shaping up to be slightly lower than this, the country nonetheless remains resilient. Much of the slower growth can be attributed to a severe drought that has affected large parts of Vietnam and hurt agricultural production. Manufacturing, driven by foreign direct investment, continues to grow and propel the economy forward. Fundamentally, Vietnam's macroeconomic indicators continue to give investors confidence that the country is on a path to sustained growth which is increasingly hard to find even in South East Asia. This has helped propel the stock market to significant gains, although it continues to sit at a valuation discount to regional peers.

Despite these positive developments, we join the chorus of foreign investors who would like to see more meaningful progress on addressing the growing fiscal deficit and on accelerating the process of privatisation. The latter in particular offers investors the greatest potential as a number of non-strategic, major enterprises remain under government ownership. We are heartened that the new government has continued or accelerated the reforms started by its predecessor. Initial concerns amongst some observers that the new guard would be less committed to change at this point seem unfounded. This bodes well for both the country and Company.

So great has Vietnam's development been in recent years that a few analysts have suggested that Vietnam could "graduate" from frontier status to emerging market status in the near term. Although we believe such a move remains unlikely in the short run, what is clear is that the opportunities for significant investment gains remain abundant, and that the Company is well positioned to realise them.

On an administrative note, the AGM will be held at 2PM on 21 December 2016 at the Company's registered address. As always, I invite you to attend. In the meantime, please contact me, any of the other members of the Board, or the Investment Manager should you have any questions or suggestions.

Steven Bates

Chairman
VinaCapital Vietnam Opportunity Fund
27 October 2016

1. The financial year in review

Vietnam's macroeconomic stability over 2015 and into 2016 provided a solid foundation for good market performance, in stark contrast to the lacklustre and volatile performance in recent years. 2014 and early 2015 was dominated by domestic and regional events, volatility in global markets, and a weak currency.

1.1 GDP growth remains strong although deceleration in 2016 expected

The themes which dominated 2014 and 2015 did not recur in the current financial year. In contrast, Vietnam was a stand-out performer in terms of economic growth, posting 6.7% GDP growth for 2015, amongst the highest in the region and in emerging markets more generally. Foreign direct investments ("FDI") remained a structural driver of this growth as industrial production reached multi-year highs (9% year-on-year growth for 2015), with the manufacturing and services sectors contributing the most to output. FDI commitments and disbursements topped USD23 billion and USD14 billion respectively for 2015 (up 13% and 17% year-on-year respectively). FDI businesses remain an important source of employment and wealth creation – and have contributed to the rise of the middle-class in Vietnam, as the economy shifts from its traditional reliance on the agricultural sector towards manufacturing and exports of consumer goods.



Growth in the first half of 2016 slipped with GDP growth only reaching 5.5% (annualised), leaving the prospect of achieving the targeted growth of 6.7% set by the Vietnamese government for 2016 at risk. Several reasons explain this deceleration including continued weakness in demand from China and developed markets, and the lingering effects of El Niño that resulted in severe drought conditions affecting agricultural output. Consequently, we have lowered our in-house GDP forecast to between 6.0% and 6.3% for 2016.

INVESTMENT MANAGER'S REPORT

INVESTMENT ENVIRONMENT

1.2 Currency stability in 2016 a stark contrast to previous year

During 2015 Vietnam experienced a sharp 5.0% currency devaluation, a result of the devaluation of the Chinese Yuan ("RMB") towards the second half of the year, which forced the State Bank of Vietnam ("SBV") to devalue the Vietnam Dong ("VND") in order to maintain export competitiveness.

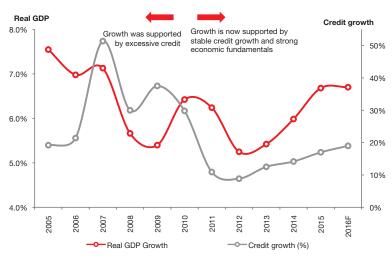
For the first six months of 2016, the VND devaluation was halted and, in fact, the currency appreciated by 0.8% against the US Dollar. This was partly due to the government introducing at the start of the year a flexible exchange rate regime against a basket of eight global currencies that make up Vietnam's key trading partners, as well as maintaining a wide trading band that the free-market rate can trade against the official rate. These measures, along with strong FDI inflows and persistently high levels of overseas remittances have provided a level of confidence in the local currency and contributed to a healthy FX reserve that some analysts estimate to be close to USD40 billion (or over 3 months of import coverage).

1.3 Structural reforms in the banking sector support credit growth

According to SBV estimates, the remaining non-performing loans ("NPLs") on bank balance sheets had fallen to 3% by the end of 2015, or USD6 billion of system-wide loans. It is important to put Vietnam's banking crisis into context: NPL ratios peaked at 17% or USD20 billion in 2013, compared to 30%-60% NPL ratios in countries impacted by the 1997-1998 Asian financial crisis.

Several Asian countries undertook strong measures to recapitalise and, consolidate bad banks, and regulate their banking sector after the crisis. We have yet to see similar strong-willed action directed towards Vietnam's banking system. Instead, the approach to addressing the sector's structural problems has allowed banks in Vietnam to progressively reduce their NPL's through a process of:

 Transferring the "bad" loans to the Vietnam Asset Management Company ("VAMC") which operates as a mechanism to allow banks to buy time to write-off these bad loans over a 5 year period. Towards the end of 2015, approximately USD10 billion of the estimated USD20 billion in "bad" loans had been sold to the VAMC;



Source: General Statistics Office of Vietnam, State Bank of Vietnam, VinaCapital Research



1.3 Structural reforms in the banking sector support credit growth (continued)

- 2. Write-offs through loan loss provisions which have an immediate impact on banks' balance sheets; or
- 3. By simply reducing the NPL ratio through increasing the loan books. Credit growth reached 11% in 2013, 13% in 2014, and approximately 18% in 2015.

There are early signs of progress, with the SBV attempting to implement structural reforms in 2015 and 2016 that aim to improve the capitalisation, risk management and liquidity of Vietnam's banks. Long-awaited regulations that compel banks to report more accurate NPL figures are now in place (Circular 09). A comprehensive set of regulations (Circular 36) set industry standards on capital adequacy ratios and minimum absolute amounts of equity capital required by banks, as well as a more uniform way of measuring loan-deposit ratios, and limits on bank cross-ownership stakes. The SBV hopes that consolidation will follow with the number of local banks reducing from 36 at present to 15, although no such timetable has been committed to.

With efforts to clean up their balance sheets underway, banks have focused their efforts over the past year on increasing loan growth as a way to improve their operating income. Encouragingly, credit growth has been directed towards capital-intensive businesses instead of towards non-productive or non-core businesses at state enterprises, which tend to exacerbate the NPL issue. System-wide loan growth is being driven by demand for retail loans (for example, mortgages and consumer credit), financing for the construction of real estate projects, and financing of infrastructure projects, all of which will be positive for the growth of the economy.

1.4 Property sector recovery has gained momentum

For much of the past two years, Vietnam's real estate market has been among the most visible signs of the economy's expansion. Residential property sales have been robust, construction of condominiums and office towers are underway in the major cities, and industrial parks are rising on their outskirts. It does indeed appear that the real estate sector has recovered from the bubble that burst in 2008. It is fundamentally stronger thanks to the numerous reforms enacted over the past few years, an increase in bank liquidity and lending, all of which resulted in a remarkable level of activity in 2015, particularly in the residential sector.

While 2016 has seen solid growth, the year is shaping up somewhat differently from 2015. Nevertheless, we believe the property market continues to hold value, though it may be more difficult to uncover, and certain segments bear monitoring.

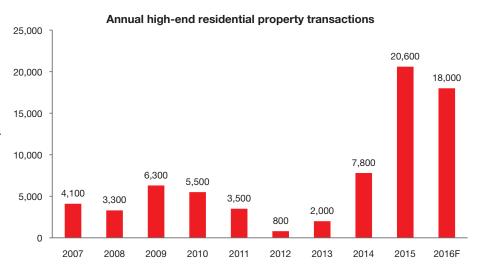
1.4 Property sector recovery has gained momentum (continued)

1.4.1 Residential property beginning to show signs of cooling

The residential property market – and the high-end condominium sector in particular – has captured most of the attention when it comes to real estate in Vietnam, as massive projects rise across Hanoi and Ho Chi Minh City. In 2014, 7,530 condos were sold in Ho Chi Minh City, according to CBRE Vietnam. At the start of 2015, roughly 21,000 unsold units were on the market, while a number of new projects were launched, putting even more inventory up for sale. But by mid-2015, the appetite for condos seemed insatiable, and buyers eagerly snapped up 20,600 available properties. In 2016 to date, absorption rates have continued to be positive, although CBRE expects that the third quarter will see a decline from the second quarter.

It comes as no surprise, as higher levels of credit growth have fuelled growth in the sector, that competition has intensified in 2016, with more players in the market and a higher supply of high-end units. This year, an enormous amount of inventory is expected to come onto the market, with 45,000 units in Ho Chi Minh City – more than the total sold in the city over the past three years – and 12,000 units in Hanoi set to launch. At the end of the second quarter, unsold property in Hanoi and Ho Chi Minh City totalled nearly USD556 million. According to CBRE Vietnam, the majority of high-end condo buyers tend to be investors looking to rent out their units or speculators. Many of the more recent high-end launches have been in mega projects, ranging from 3,000 to 11,000 units. While these offer prime locations and a full range of amenities, these come at a cost, and there are signs that projects of this scale are losing their allure among buyers.

The question is how many such buyers exist, given their strong purchasing over the past year, with most of the developments yet to be delivered. This high-end of the market may well have reached its capacity. Jones Lang LaSalle expects overall apartment prices to rise 5-7% per annum over the next three years, a slight slowdown from the 9% they have seen in the past 18 months, and a far cry from the 106% in 2005-2007.



Source: CBRE, VietCapital Securities, VinaCapital Research

1.4 Property sector recovery has gained momentum (continued)

1.4.1 Residential property beginning to show signs of cooling (continued)

Apartment Type	Q2 2016 price USD psm	Y-o-Y change	Apartment price USD	Home price to income ratio
Affordable	827	7.9%	62,025	3.9
Mid-end	1,414	4.6%	106,050	6.6
Premium	2,192	8.7%	N/A	N/A
Luxury	3,925	-3.1%	N/A	N/A

Source: Jones Lang LaSalle

With increasing prices, it is understandable that buyers at this level are looking for properties that feel more exclusive. Novaland, a local developer in which the Company invests through a preferred convertible equity note, has made a name for itself for building more manageably-sized projects throughout Ho Chi Minh City at rates that are more affordable compared to other projects, and sales have continued to grow. While not as alluring as luxury, the sheer demand for affordable properties makes this the next growth segment of the market, particularly as incomes rise and urbanization accelerates.

1.4.2 Landed properties increasingly popular

If mega projects are losing favour, landed properties such as villas and townhouses are seeing steadily rising numbers of buyers. Offering larger homes and international designs, landed properties have seen increasing absorption rates. Developments from local developers Novaland and Khang Dien House (another underlying portfolio company) have seen good sales within a short time after launch, given their affordable prices. Nine South Estates, a VinaCapital VinaLiving developed property has nearly sold out of its inventory of homes at its development in the new Saigon South area adjacent to District 7. While these developments are a little further from the Central Business District ("CBD"), they offer attractive landscaping, amenities such as pools and clubhouses as well as a greater sense of privacy. We expect to see a number of new such projects in the mid-term, although the availability of prime land, such as clean riverfront sites or close to good infrastructure development, is becoming increasingly scarce.

1.4.3 Hospitality sector improves as tourist numbers swell

Vietnam is finally appearing on the itineraries of more travellers. Several international publications have highlighted the country's scenery and value, Ho Chi Minh City's energy and Hanoi's charm. The government is also starting to see the potential of tourism and is taking steps to make it easier to travel to the country through relaxed visa regulations and greater investment in marketing.



Above: The Venica, a high-end villa project developed by Khang Dien House (KDH). Situated in District 9 at Song Hanh Street which runs parallel to the Express Way joining Ho Chi Minh City – Long Thanh – Dau Giay provinces, it takes less than 20 minutes from The Venica to Ho Chi Minh City's CBD.

1.4 Property sector recovery has gained momentum (continued)

1.4.3 Hospitality sector improves as tourist numbers swell (continued)

Vietnam has seen a steady increase in the number of tourist arrivals during the first seven months of 2016, reaching nearly 6.5 million visitors, a 25.4% increase on a year-on-year basis. This has been great news for the hospitality industry, with CBRE Vietnam reporting June occupancy rates of 65% and 75% for Ho Chi Minh City and Hanoi, respectively, the latter marking a five-year high. In comparison, the average occupancy rate in Bangkok was 75%, Singapore 83%, Kuala Lumpur 62% and Jakarta 49%; the average daily rate for Ho Chi Minh City and Hanoi exceed those of all of those cities except for Singapore.

CBRE Vietnam foresees strong growth in the five-star and resort hotel segment, and already new hotels are under construction across the country, particularly in coastal areas. The segment's growth has also led to several transactions involving operating properties, with the sales of the luxurious Nam Hai Resort in Hoi An for USD63 million (USD630,000 per key), the Con Dao Six Senses for USD18 million (USD327,300 per key), and the Duxton Hotel Saigon, a four-star hotel in central Ho Chi Minh City for USD49 million (USD256,500 per key) among the more notable deals.

Overall, the future for hospitality looks bright but as more international operators enter the market, local hotel brands will have to step up their game if they want to compete.

1.5 Retail growth still strong and gives rise to Vietnam's middle class

As incomes have risen, so too have retail sales, which rose 9.5% in nominal terms during the first six months of 2016. The retail sector has seen a huge amount of M&A over the past 12 months, with Thai companies purchasing the Vietnam operations of Metro and Big C. Korea's Lotte and Japan's Aeon also continue to expand their retail networks in the country. Singapore's Keppel Group recently opened the doors of its expanded Saigon Centre in the heart of District 1, with famed Japanese department store Takashimaya its anchor (a source of local pride as the store opened a branch in Vietnam before Thailand), and a full range of food and beverage options. Given its international design and construction standards and prime location, it is little surprise that the shopping centre was fully committed six months before opening.

The same cannot necessarily be said for other western-style shopping centres. Earlier this year, Parkson, a Malaysian retailer which has operated in Vietnam for several years, closed its store in Ho Chi Minh City's District 7, following the closure of its store in Hanoi last year, leaving it with just a handful of locations. During the first quarter of this year, the company said its retail sales had plummeted more than 14% on a year-to-year basis.

1.5 Retail growth still strong and gives rise to Vietnam's middle class (continued)

A few factors are at play in this sector. First, western-style malls and modern trade outlets are perceived as expensive. Second, the traditional habit of shopping at wet markets and local mom-and-pop shops has been hard to break. Third, some of the new shopping centres have been poorly designed and lack an alluring retail mix. The most successful tenants today are food & beverage operators – whose margins tend to be slim and rely on foot traffic – and centres currently being designed allocate up to 65% of net leasing area to food and beverage ("F&B") and entertainment.

1.6 Impact on the stock market and possible catalysts

While the message has been positive overall for Vietnam, global events over the financial year have made for a somewhat volatile local stock market. The benchmark Vietnam Index ("VN Index"), which covers stocks listed on the Ho Chi Minh Stock Exchange, increased by 4.3% in US Dollar terms over the financial year. This overall increase masks several periods of volatility caused by both domestic and global events.

Over the first six months of the financial year, from July to December 2015, the VN Index declined by 5.5% in US Dollar terms. The index closed at 593 points at the end of the previous financial year, and by 31 December 2015 it had declined to 579 points, due to: a technical correction of the market during the last quarter of the calendar year due to the prolonged impact of low oil prices on listed companies in the oil and gas sector; and the unintended consequence of a 5% currency devaluation in the second half of 2015 due to the aggressive RMB devaluation in August 2015.

The second half of the financial year, from January to June 2016, marked the start of a turnaround of the index, as both foreign and domestic investors piled into the market, attracted by relatively cheap valuations (approximately 13 times trailing PE at the start of the calendar year), hopes more companies would commence relaxing the foreign ownership limits ("FOL"). Further, good earnings growth in blue-chip companies such as Vinamilk ("VNM") and Hoa Phat Group ("HPG"), helped drive up prices.



Source: Bloomberg, VinaCapital research

currently on its way to 700 points.

1.6 Impact on the stock market and possible catalysts (continued) The index closed the 2016 financial year at 632 points, and in fact on the first day of July 2016, to mark the start of the Company's 2017 financial year, the index closed above 640 points, something that has not been seen for almost 8 years. More important is that Vietnam's stock market appears to have broken through a psychological and technical barrier of 640 points that has been a level of resistance for the index in recent years. However, in 2016, we have seen the market maintain its

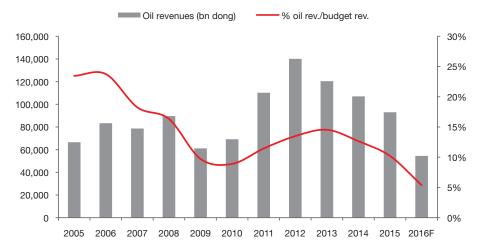
And an important footnote to the financial year; while global events such as "Brexit" pummelled most global markets in June, it barely registered any impact on Vietnam's bourses. The country's stock market saw no lasting impact from Brexit. On the day before the results of the vote were announced, the VN Index closed at 632 points; the Index ended the month of June less than a week later at the same level, and subsequently moved even higher than pre-Brexit levels.

momentum and subsequent to the end of the financial year we

have seen the market exceed this level of resistance and it is

1.7 Risks and headwinds

Macroeconomic results that have come in post financial yearend have been for the most part positive although our in-house projection for GDP growth this year is lower, between 6.0% and 6.3%. We expect the government's target of 6.7% set at the beginning of the year to be over-ambitious and factors such as strong FDI commitments, a positive balance of trade, and credit expansion may not be sufficient to fully offset the widening fiscal deficit and a reduction in budget revenues as a result of persistently low oil prices.



Source: General Statistics Office of Vietnam, VinaCapital research

1.7 Risks and headwinds (continued)

Today, oil revenues contribute less than 5% of the government's budget revenues, a far cry from the 15% levels when oil was trading above USD100 per barrel over the 2014-2015 period. While low commodity prices have been beneficial to help keep inflation levels at multi-year lows, this dwindling contribution to revenues has not been offset by other sources in a meaningful way. In fact, in recent years Vietnam's ratio of budget revenues as a percentage of GDP has been declining in contrast with an uptrend in other regional countries, and the deficit as a percentage of GDP has been rising against a downtrend in the region. In 2015 the public debt to GDP ratio reached 60.3% and in 2016 is forecast to be 64.9%, a worrisome level given that the National Assembly of Vietnam has laws in place to restrict public debt from exceeding 65%. Finally, given the need for the Government to continue its impressive programme of fiscal spending to develop key infrastructure projects throughout the country, there does not appear to be any viable solution to reduce this widening deficit.

1.8 Summary of key macroeconomic indicators and forecasts

Major Indicators	Unit	2011A	2012A	2013A	2014A	2015A	2016F		
GDP growth	%	5.8	5	5.4	6	6.7	6.3		
CPI	%	18.1	6.8	6	1.8	0.6	3.0-4.0		
Trade Deficit/Surplus	USDbn	-9.5	0.3	0.9	2	-3.5	-5		
Exports	USDbn	96.3	114.6	132.2	150.1	162	180		
Imports	USDbn	105.8	114.3	131.3	148.1	165	185		
FDI Commitments	USDbn	14.7	13	21.6	20.2	23	23.0-25.0		
FDI Disbursement	USDbn	11	10.5	11.5	12.4	14	13.0-15.0		
Credit Growth	%	10.9	7	11	12.6	17.2	18–20		
FX Reserves	USDbn	17.2	26	32	35	30	38-40		
SBV Refinancing Rate	%	15	9	7	6.5	6.5	6.5		
Deposit Rate	%	14	8	7	5.5	6	6.0-6.5		
Lending Rate	%	18.0-20.0	12.0-15.0	8.0-12.0	11.0–12.0	9.0-11.0	9.5–11.5		
USD/VND	USD/VND								
(market rate)	VND	21,200	20,880	21,190	21,580	22,660	23,000		

Source: General Statistics Office of Vietnam, Bloomberg, VinaCapital research

INVESTMENT REVIEW

2. Performance review

	Annual return						
Asset class	FY2016	FY2015	Last 3 years	Last 5 years			
Capital market	22.3%	1.0%	15.4%	9.8%			
Listed equities	19.7%	0.2%	15.7%	8.8%			
OTC securities	44.2%	4.9%	12.7%	13.4%			
Private equity	(2.4%)	13.1%	25.9%	21.3%			
Bonds	0.0%	4.6%	2.8%	3.0%			
Operating assets (including hospitality							
projects)	0.3%	4.5%	3.3%	3.9%			
Real estate projects	11.2%	(10.0%)	(9.2%)	(9.2%)			
NAV/share growth	15.3%	0.3%	10.9%	6.0%			
VN Index (USD) return	4.3%	0.3%	10.4%	0.5%			
Volatility							
NAV/share volatility (std. dev.)	9.5%	8.4%	14.4%	19.5%			

Source: Bloomberg, Numis Securities research, VinaCapital research, 30 June 2016, last 3 and 5 years based on FY2013-FY2015 and FY2011-FY2015 respectively, capital markets performance consists of listed equities and OTC securities.

Resurgent investment interest in Vietnam, through net inflows to the public markets from investors local and offshore who are attracted to the market's low valuation and average earnings growth in excess of 10% (excluding outliers), have helped the stock market deliver a 4.3% return over the 2016 financial year, in US Dollar terms.

This performance should be viewed in two parts, with the first half of the financial year (1 July 2015 to 31 December 2015) underperforming, while the second half of the year (1 January 2016 to 30 June 2016) posted a strong recovery. In fact, the VN Index increased by 9.7% in US Dollar terms over the second half of the year, making it one of the best performing stock markets globally over the 6 month period. This strong performance has continued into the current financial year. The Company's portfolio followed a similar pattern, with NAV per share down 0.9% in the first half of the financial year, but up 16.2% in the second half, and returning 15.3% overall for the full financial year.

INVESTMENT MANAGER'S REPORT

INVESTMENT REVIEW

Looking specifically at the Company's capital markets portfolio which includes listed equities and OTC securities, a return of 22.3% over the financial year was achieved, significantly outperforming the VN Index (+4.3%), MSCI Emerging Market index (-14.2%) and MSCI Vietnam index (-5.5%) over the same period.

The listed equities portion of the capital markets portfolio, which includes our holdings in Vietnamese publicly listed equities, represents 47.9% of the total portfolio and delivered a 19.7% return this year, one of the best results in recent years and a marked improvement on last year's 0.2% return. Our high-conviction strategy, holding large, meaningful blocks in companies that deliver above average earnings growth at attractive valuations, and that are at or near their foreign ownership limits, is paying off. During the year we divested a number of large listed equity investments, including Hau Giang Pharmaceuticals ("DHG"), and trimmed other large positions such as Hoa Phat Group ("HPG"). By the close of the financial year, there were 19 holdings in the listed equities portfolio.

The OTC portfolio, which includes state-owned companies that have recently undergone a privatisation process – or "equitisation" as it is referred to in Vietnam – delivered a strong performance this year, up 44.2%. In previous years we had sought to build-up this part of the portfolio after several successful divestments including An Giang Plant Protection. One new OTC investment was purchased over the year, namely Airports Corporation of Vietnam ("ACV"), and we added to an existing stake in Quang Ngai Sugar ("QNS"). Both companies have seen strong NAV performance as they delivered good results over the year. OTC investments represent 8.4% of the total portfolio as at 30 June 2016 compared to 6.5% the prior year.

Unlike in previous years, the private equity portfolio did not contribute materially to performance this financial year. It was a year of building up new holdings in this area, which now represents 11.4% of the portfolio compared to 9.5% last year, and less than 2.5% in the financial year before that (2014). NAV was down 2.4% in 2016, primarily as a result of fair value adjustments to the portfolio. On a historical basis, over the previous 3 and 5 financial years, private equity has been one of the strongest contributors to performance and we expect that the current investments under this portfolio will deliver solid returns on exit.

We have made concrete progress on the realisation of assets held in the real estate portfolio, with approximately USD46.5 million in proceeds received during the financial year, through the divestment of projects including Century 21, Danang Golf, and Pham Hung. This has helped reduce the NAV of this part of the portfolio to 8.2% from 14.0% in the previous year, as well as delivering a strong 11.2% return as assets were sold above their carrying value.

Overall, the Company's NAV per share increased by 15.3% during the 2016 financial year to USD3.77, from USD3.27 the prior year. Unlike in prior years, the VND was stable and did not materially impact the portfolio performance.

2.1 Portfolio review

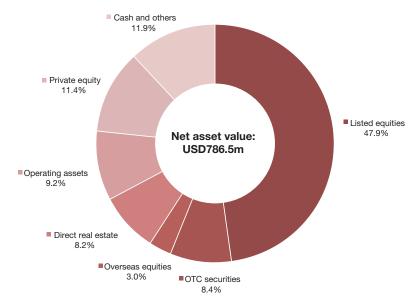


Chart: The Company's portfolio by asset class, % of NAV, 30 June 2016

2.2 Listed equities

The Company's listed equities portfolio continued to maintain its balance, with 47.9% of the total portfolio allocated to the listed equity asset class, versus 52.4% as of last financial year, as we continue to concentrate and build up our positions in key holdings where we are able to negotiate significant stakes, like Khang Dien House ("KDH"), or where we can take advantage of the premium to market price where foreign ownership is at, or close to prescribed limits, such as with Vinamilk ("VNM") and Hau Giang Pharmaceuticals ("DHG"). In the case of DHG, in June 2016 we sold our shares to a strategic investor – Taisho, a leading Japanese pharmaceutical company – for a significant premium to the market price at the time of exit, realising USD34 million in proceeds. DHG's share price has increased 40.1% over the financial year.

Our largest holding, VNM, reported a strong second quarter 2016 result, with net revenue growth of 18.6% year-on-year, while net profit surged 28.8% year-on-year. For the first six months of the calendar year, revenue was up 18.6%; domestic revenue surged by 19.5% year-on-year; while net profit rose 32.9%. We expect that VNM will continue to deliver good earnings in the second half of the 2016 calendar year, benefiting from a better sales mix and favourable milk powder input prices. Following the end of the financial year, in July VNM received official permission from the State Securities Commission ("SSC") to remove its foreign ownership limit ("FOL"), allowing foreigners to buy up to 100% of the company. Given recent results and other developments, we believe VNM will continue to be popular with foreign investors and this removal of FOL may see VNM included in the two Vietnam ETF's and other index-tracking funds. Our shares in VNM represent 14.7% of NAV, and VNM's share price increased 24.8% over the financial year.

Another core listed equity holding, Hoa Phat Group ("HPG"), announced better than expected results for the second quarter 2016, with net income of USD91 million, an impressive increase of 63.5% year-on-year and 80.8% quarter-on-quarter on revenue of USD361 million (an increase of 5.2% year-on-year). A sharp improvement in gross margins to 32% during the second quarter was driven by the recovery in average selling price, while input materials were hedged at a lower price. HPG also regained its position as the number one steel producer in Vietnam, with 21.5% market share, an increase of 2% compared to the first quarter of the calendar year. Given the continued strength of Vietnam's construction industry, we expect HPG is well positioned to sustain sales volume growth and maintain healthy profit margins into the second half of the year. HPG makes up 8.3% of NAV and has seen its share price increase 37.0% over the financial year.

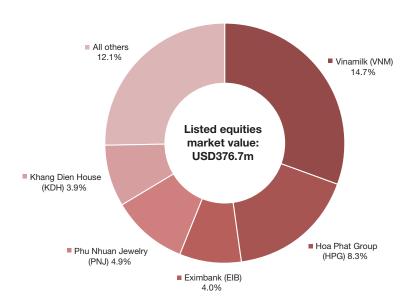


Chart: The Company's listed equities portfolio, chart represents top 5 holdings and others, % is of total NAV, 30 June 2016

2.2 Listed equities (continued)

Eximbank ("EIB"), which is the third largest holding in the portfolio, experienced a challenging year. The Investment Manager sought to work with the bank's management and strategic shareholders to reconstitute the board in late 2015. EIB have been addressing problems in their NPL book during the year and we expect that they have been more aggressive than other banks in booking provisions against their balance sheet. Even so, the bank's net assets remain positive at USD588 million as at 30 June 2016. VinaCapital continues to have the opportunity to work with the bank's management and strategic investors and expects to exit at a premium to current market value. The Company's stake in EIB represents 4.0% of NAV as at year end, and the share price has underperformed over the financial year, down 11.5%.

Phu Nhuan Jewelry ("PNJ") maintained strong growth in its core operations in the first half of 2016 with gold jewellery retail sales increasing 23%, significantly higher than market growth of only 6%. Market share of gold jewellery was estimated to increase from 25% to 30%, backed by rapid store expansion with 59 newly-opened stores in the past twelve months. Ending the period, core net profit advanced 32% primarily driven by gross margin expansion (to 17% from 14% over the same period in 2015) while net profit surged at a faster pace of 123% due to lower financial provisions for the investment in Dong A Bank, and one-off profit from property sales. Over the first half 2016, PNJ's share price strongly outperformed the VN Index (up 80% vs 9% for the index in local terms). As at financial year end, our investment in PNJ represented 4.9% of NAV, and the company's share price increased 94.9% over the financial year.

2.3 Over-the-counter securities

OTC securities represent the other component of the capital markets portfolio. Traditionally, OTC investments come about when the government embarks on a programme to privatise – or "equitise" as it is called in Vietnam – the state-owned enterprise. Historically, this asset class has made a material contribution to the portfolio's performance compared to other asset classes.

As at the financial year end, the Company had USD65.5 million or 8.4% of NAV allocated to this asset class, an increase from 6.5% last year. While the previous financial year saw some large divestments from the portfolio, including An Giang Plant Protection (AGPP) in September 2014, this year we have tried to seek opportunities to put money to work into this asset class. However, the fact that we have only been able to invest in two opportunities during the financial year is testament to the dearth of investible opportunities from the Government's privatisation program. Headline grabbing equitisations such as Vietnam Airlines in 2015 did not garner the level of foreign, institutional investor

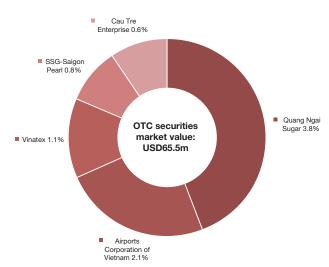


Chart: The Company's OTC securities portfolio, chart represents top holdings, % is of total NAV, 30 June 2016

2.3 Over-the-counter securities (continued)

interest as perhaps hoped for, a reflection of high valuations that we hoped for the business. Encouragingly, All Nippon Airlines ("ANA") of Japan did subsequently acquire a strategic stake in the national carrier.

In late December 2015, consistent with our ongoing strategy, we took the opportunity to increase our OTC portfolio by participating in the privatisation of Airports Corporation of Vietnam ("ACV"). This share sale was 1.3x oversubscribed on offer, and the sale valued the business at close to USD1.4 billion. The key success factor with this equitisation was that it attracted strong demand from both domestic and international investors, a reflection of the quality of the company and the fair valuation of the offer. ACV are now finalising the selection of an international strategic investor, and expect to publicly list within the next 12 months. ACV currently manages 22 airport terminals throughout Vietnam. As at year end, the holding in ACV represents 2.1% of NAV and since the initial investment, the OTC share price has increased approximately 57%.

Meanwhile, Quang Ngai Sugar ("QNS"), which is a leading food and beverage company and market leader in soy milk production (84% market share), and is also the largest domestic sugar producer (11% market share), continues to deliver strong results. QNS is cost competitive thanks to its business size and vertical integration. In 2015, soymilk sales volume increased 25% year-on-year, while revenues increased 25% to USD350 million compared to sector-wide revenue growth of 4%. In 2016, QNS increased capacity at their Bac Ninh factory from 90 million liters to 180 million liters and will add another 90 million liters in the Binh Duong factory from Nov 2016. As at the financial year end, we continue to build up our stake in QNS, which now represents 3.8% of NAV. The OTC share price has increased 92% compared to the prior year, although the stock trades thinly on the OTC market.

2.3.1 Looking ahead on equitisation (privatisation)

Looking ahead, we would expect the government to quicken the pace of equitisation after a disappointing past 2 years where few investible opportunities were available. In fact, for the calendar year up to August 2016, the government has completed less than 50 equitisations for state-owned companies with a combined market capitalisation of USD1.5 billion, although in practice the actual float available for investors is far less than this amount.

The new financial year may bring some more promise in terms of opportunities to invest in. In July, the government announced plans to equitise over 20 companies, including several large, attractive, companies in non-sensitive sectors which should mean a relatively straight forward process for equitisation. However, our investment approach is to remain disciplined, not be tempted by chasing





Above: Airports Corporation of Vietnam (ACV), a recent equitisation that VOF participated in, is a state monopoly that operates 20+ airports across Vietnam.

2.3 Over-the-counter securities (continued)

2.3.1 Looking ahead on equitisation (privatisation) (continued) headline, high-profile transactions that invariably lead to rich valuations, but rather seek opportunities where we can work closely with management to conduct and participate in an equitisation of meaningful size.

2.4 Private equity

Turning to private equity, this asset class accounted for 11.4% of NAV as at the end of the financial year, up slightly from 9.5% the prior year. We continue to focus on investment opportunities in privately negotiated deals given the lack of meaningful opportunities in the OTC/equitisation process. While the change in the portfolio's private equity allocation has been incremental, two new investments have been added to the top 5 holdings, one in the healthcare sector and the other in the construction materials sector. We discuss these investments further below. The other two top investments which were made during the prior financial year (International Dairy Products ("IDP"), and Novaland, which is a redeemable preferred equity instrument) continue to perform well and have seen a positive movement in their valuations over the year.

In March 2016, we invested USD9.0 million in a management buyout transaction to acquire a controlling stake in Thai Hoa International Hospital ("Thai Hoa"), a leading healthcare provider located south of Ho Chi Minh City in the Mekong Delta region. Thai Hoa is a general hospital established in 2008, built with the goal of providing premium healthcare and top-of-the-line hospital facilities for the region. Currently, Thai Hoa has 200 beds, with the ability to scale up to 300 beds in the same location, employs over 30 doctors, and is capable of treating over 300,000 patient visits per year. Management expects that the number of visits will increase significantly through 2016 and 2017 due to the Government's Private Partnership Program between public and private hospitals and the loosening of National Health Insurance regulations that will take effect in the second half of this year. Furthermore, with Thai Hoa strategically located within 30km from the border with Cambodia, medical tourism should become an increasingly important source of growth.

Thai Hoa makes up 1.1% of the overall portfolio NAV. While this investment is still in its early stages, we have been able to make progress in turning around operating losses (all the while maintaining positive EBITDA), improve bed and operating theatre utilisation rates, increase inpatient and out-patient numbers, as well as improve operating margins from over-the-counter

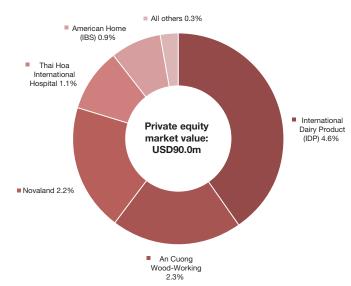


Chart: The Company's private equity portfolio, chart represents top 5 holdings and others, % is of total NAV, 30 June 2016

2.4 Private equity (continued)

pharmaceutical sales. Going forward, we expect Thai Hoa to be an anchor investment in a roll-up strategy that will add more hospitals, beds and medical diagnostic facilities as part of a wider platform of healthcare businesses that service Ho Chi Minh City and its adjacent provinces in the south.

In June 2016, to cap off the financial year, we announced a private equity investment into An Cuong Woodworking JSC ("An Cuong"), one of Vietnam's leading wood-working and decorative materials companies. This deal was a USD30 million co-investment, with the Company partnering with Deutsche Investitions- und Entwicklungsgesellschaft mbH ("DEG"), a member of the KfW Group, to acquire more than 20% of the company. An Cuong had been on our radar for some time – it is well managed, ambitious and innovative, and had been seeking ways to expand its business in a sustainable manner. VinaCapital, which led the consortium to acquire this company, is partnering with DEG to help An Cuong further build on its leading position in the industry and enter a new phase of growth.

Established in 1994, An Cuong manufactures a wide range of products including wood and laminate panelling, flooring and furniture. The company is a manufacturer and exporter for well-known brands in Japan, South East Asia, USA and Europe. Recognized as the top wood-based surface specialist in the country, the company's products meet international standards for design and quality. Its sustainable environmental and social ("E&S") practices have been recognized with an ISO 14001:2004 certification and its products are certified by Green Label Singapore. As part of its commitment to continuous improvement in E&S practices, An Cuong is implementing an E&S action plan with the objective of compliance with the International Financial Corporation Standards. Currently, An Cuong has more than 1,300 employees, 10 showrooms across the country and a factory in Binh Duong province with an area of more than 90,000m², alongside representative offices around the world, including Cambodia, Malaysia, Japan, Canada, USA, and Australia.

With consistent growth rates of 30%-35% over the past several years, An Cuong has reached an annual turnover of over USD70m in 2015 with dominant market share of over 50% in branded MFC panels and 70% in branded laminate panels. In June this year, they reported year-to-date growth in excess of 30%, and with the continued activity in residential construction, we expect the company's strong growth to continue for the foreseeable future. An Cuong makes up 2.3% of the overall portfolio NAV, and represents our second largest private equity investment as at financial year end.





Above: Thai Hoa International Hospital, located in the Mekong Delta, provides medical services to an acutely under-serviced province in the south of Vietnam. Thai Hoa Hospital provides premium healthcare, in-patient and out-patient services, and specialises in pre- and post-natal care.

2.4 Private equity (continued)

Turning to our existing investments in the private equity portfolio, in the prior financial year we led a co-investment into International Dairy Products ("IDP"), a leading consumer goods company that dominates Vietnam's southern market for flavoured milk and yogurt products. We took a controlling stake in this business and implemented several changes including the appointment of an industry veteran as the new CEO.

IDP reported strong sales in the second half of 2015, up 50% compared to the prior year. However, during the first half of 2016 revenues were flat and the company reported a small operating loss due to the unexpected suspension of milk exports to China. The company's management forecast that exports will resume in late 2016 and that the company will be back on track to meet its revenue and profit forecasts in the next financial year.

The company has restructured its product mix and introduced several new products. In the first half of 2016, the IDP team successfully launched a new fruit milk drink using aseptic bottles with several fruit flavours and expects to have another chocolate-based drink to be in the market by third quarter 2016. The product is manufactured under an OEM contract the with Kirin factory in Vietnam. The company has also successfully launched a new corn milk product in December 2015 and an Australian packaged UHT drinking milk in April 2016 under the Love'In Farm ("LiF") brand. Other achievements include the successful installation of an ERP system in 2015, paving the way for better inventory and logistics management. As at 30 June 2016, our investment in IDP represents 4.6% of the overall portfolio NAV.

Turning to our investment in Novaland, in June 2015, prior to the end of the previous financial year, we deployed almost USD15 million to invest into Novaland, one of Vietnam's leading residential property developers, through a redeemable convertible preferred equity instrument that provides an annual dividend payment and offers significant downside protections to our investment. While this investment has been classified under "unlisted and OTC shares" in the financial statements, given how we monitor this investment and the terms we were able to negotiate concerning the downside protections, for portfolio monitoring and reporting purposes we classify this as a private equity investment. As at financial year end, Novaland represents 2.2% of the overall portfolio NAV.





Above: An Cuong Wood-Working, a recent private equity co-investment between VOF and KFW-DEG of Germany. An Cuong Wood-Working is Vietnam's leading manufacturer of construction material laminates and kitchen fittings.





2.4 Private equity (continued)

Novaland has delivered strong performance over the year, buoyed by the ongoing recovery in the real estate sector, high levels of credit growth that has been a boon to both developers and buyers, while favourable reforms in the banking and real estate sector have benefited developers like Novaland who develop modest, high-quality apartments that appropriately target Vietnam's rising urban middle-class. The company has commenced plans which should lead to listing on Vietnam's main bourse by the close of the calendar year.

Overall, private equity is the area of the portfolio that shows the most promise in terms of investment opportunity, and given our track record over the past 5 years, is expected to deliver strong returns in the future. Our fully realised private equity investments have delivered an average IRR in excess of 20% to date, and we believe these types of investments continue to offer the most attractive returns in the market. The private equity investment team continues to focus on opportunities in the education, media and infrastructure sectors, areas that are both defensive in times of market volatility, but also stand to benefit from the country's strong forecast economic growth.

2.5 Real estate

2.5.1 Direct real estate

With regard to our direct real estate portfolio, efforts in recent years to reduce the development risk to the portfolio have finally borne fruit and we have made several announcements during the past financial year regarding exits from the portfolio including the Century 21, Danang Golf, and the Pham Hung projects, along with several other smaller investments. In total, we have returned approximately USD46.5 million in proceeds during the financial year. As at the end of the financial year, the direct real estate portfolio made up 8.2% of NAV, a much smaller share of the portfolio as compared to 14.0% in the prior financial year.

In May 2016, the Company, alongside VinaLand Limited ("VinaLand") announced that it had divested its entire stake in the Century 21 project, located in Ho Chi Minh City. The site is a future residential, mixed-use development site, with a total site area of 30.1ha and was acquired in 2006. This transaction resulted in net cash proceeds of USD28.7 million to the Company, approximately USD3.2 million higher than the 31 March 2016 unaudited net asset value when heads of terms were negotiated.

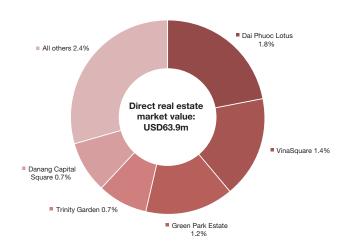


Chart: The Company's direct real estate portfolio, chart represents top 5 holdings and others, % is of total NAV, 30 June 2016

2.5 Real estate (continued)

2.5.1 Direct real estate (continued)

Also in May 2016, the Company, alongside VinaLand, announced that it had divested its stake in Danang Golf. The project, acquired in 2006, is situated in Danang on 219.8 ha of land and includes a completed 18-hole golf course with related facilities as well as residential dwellings, some of which are currently under construction. The project site also has an approved master plan for future development. The transaction resulted in net cash proceeds of USD12.2 million to the Company, at a valuation that was 2% higher than the 28 February 2016 unaudited net asset value when heads of terms were negotiated.

Finally, in June 2016, the Company announced it had divested its stake in the Pham Hung project. The project, acquired by the Company in 2007, is a 2.4 hectare parcel of land located in Hanoi and has planning approval for a future mixed use development. This transaction resulted in net cash proceeds of USD5.4 million to the Company, compared to a carrying value of USD3.4 million as at 31 December 2015.

Several other smaller divestments were made during the financial year and, in summary, the momentum continues in our efforts to reduce the Company's direct real estate holdings. The proceeds from these investments will go towards the share buyback programme as well as to our pipeline of investment opportunities in other segments of the market, including pre-IPO and privately negotiated deals that focus on sectors which continue to benefit from Vietnam's growing domestic consumption and rapid urbanisation.

2.5.2 Operating assets

Operating assets represent 9.2% of NAV, down from 11.4% last year, primarily as a result of fair value adjustments and the rise in value of the liquid assets. The segment of the portfolio includes our hospitality investment in the Sofitel Metropole Hanoi Hotel ("Sofitel Metropole") and the Huong Vuong Plaza, a mature, cash-yielding investment which in prior years was classified under direct real estate. Assets held under this asset class reflect the fact that they are mature, and are cash-yielding in nature, whereas direct real estate investments more accurately reflect the development risk associated with projects.

The hospitality sector continues to perform well, with visitor arrivals over the first 6 months of this calendar year up 21% compared to the same period last year. Arrivals from Hong Kong, China, Thailand and Korea continue to show strong growth, as additional scheduled flights linking new destinations in Vietnam come online, operated by international, regional and domestic low-cost carriers. The increased attractiveness of Vietnam as a destination should continue to drive growth in the tourism sector.

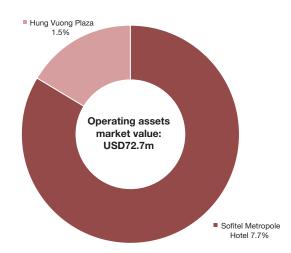


Chart: The Company's operating assets portfolio, chart represents top holdings, % is of total NAV, 30 June 2016

2.5 Real estate (continued)

2.5.2 Operating assets (continued)

With 364 rooms, the international 5-star Sofitel Metropole has benefited from this growth. Calendar year-to-date results to June show the hotel's gross operating profit ("GOP"), revenue per available room ("RevPar"), and average occupancy rates are well ahead of budget and last year's results. The property remains on track to achieve budget this calendar year, and continues to deliver dividends as in previous years.

3. Closing thoughts

3.1 Portfolio strategy

Our strategy remains consistent – to invest in companies that deliver strong core earnings growth at fair valuations to the market and peers. We prefer where possible to take large, high-conviction stakes in both listed and unlisted companies, with a preference towards privately negotiated deals that offer strong downside protections for our minority interests. We seek to divest when the investment has reached our target price and Internal Rate of Return ("IRR"), generally via a block trade where we are able to negotiate a premium to prevailing market prices.

This financial year, we have been able to demonstrate our execution of this strategy through the following transactions:

- Investments into OTC traded securities including Quang Ngai Sugar ("QNS") and Airports Corporation of Vietnam ("ACV") have seen a positive uplift from our investment costs.
- Divestments in public equities at significant premiums to market price, such as Hau Giang
 Pharmaceuticals ("DHG"), that were at or near FOL levels and where we were able to deliver a large,
 meaningful stake to a strategic investor.
- Dedicate time and effort to source, carry out due diligence and invest into private equity deals where
 we have been able to identify high growth business, or opportunities to enter at attractive valuations
 and lock in strong downside protections, such as An Cuong Woodworking, Thai Hoa International
 Hospital, or Khang Diem House ("KDH") through a rights issue.
- Deliver on our commitment to reduce the development real estate risk from the portfolio, with exposure to direct real estate assets below 10% of NAV, and we continue to focus on reducing this portion further.

3. Closing thoughts (continued)

3.1 Portfolio strategy (continued)

The multi-asset class nature of the portfolio offers investors exposure to opportunities beyond public equities, as well as delivering lower NAV volatility, particularly in times of market turmoil. While half of the portfolio is exposed to listed equities which are valued on a marked-to-market basis, the unlisted portfolio, which includes private equity and real estate projects, have been a strong contributor to the Company's performance.

Going forward, private equity and equitisation (i.e. privatisation) are areas that we continue to focus on, more so on the privately negotiated deals as the pace of equitisation has so far been slow. The pipeline for private equity deals remains healthy, and the investment ticket size and stake in the companies we are considering are getting larger and more meaningful in size. This places us in a unique position in both the domestic as well as regional market as an investor that can source, execute and importantly, add value to Vietnamese businesses seeking growth capital.

The next twelve months look to be an exciting time to invest in Vietnam. While nobody can predict what may happen at a global level, Vietnam – whose economy has been remarkably resilient during recent global slowdowns – is poised to make significant progress on privatisation which, in turn, could lead to increases in market liquidity, an important factor in the country "graduating" to emerging market status. While we are bullish on the country's prospects, we are cognizant of the challenges that remain.

We look forward to being able to communicate to the market over the coming year our progress in these activities, and we thank our Board and shareholders for your continued support.

Andy Ho

Managing Director
VinaCapital Investment Management Ltd
27 October 2016

			%		
	Investee company	Asset class	of NAV	Sector	Description
1	Vinamilk (VNM)	Listed equity	14.7	Food & beverage	Leading dairy company with dominant market share.
2	Hoa Phat Group (HPG)	Listed equity	8.3	Construction materials	Largest steel manufacturer in Vietnam.
3	Sofitel Legend Metropole Hotel Hanoi	Operating asse	et 7.7	Operating assets	One of Vietnam's premium hotels.
4	Phu Nhuan Jewelry (PNJ)	Listed equity	4.9	Consumer discretionary	The largest jewellery manufacturer and distributor in Vietnam.
5	International Dairy Product (IDP)	Private equity	4.6	Food & beverage	One of the top five dairy companies with potential growth.
6	Eximbank (EIB)	Listed equity	4.0	Financial services	One of Vietnam's top ten commercial banks.
7	Khang Dien House (KDH)	Listed equity	3.9	Real estate & construction	Leading property developer with strong asset base strategically located in District 9, HCMC.
8	Quang Ngai Sugar JSC	OTC equity	3.8	Food & beverage	Diversified FMCG producer with dominant market share in soymilk drink.
9	VinaLand Ltd (AIM: VNL)	Listed equity (overseas)	2.7	Real estate & construction	VCIM-managed Vietnam real estate fund.
10	Petrovietnam Technical Services Corporation (PVS)	Listed equity	2.5	Mining, oil & gas	Leading oil and gas technical service provider in Vietnam.
То	p 10% of NAV		57.1		

Source: VinaCapital, % of total NAV, 30 June 2016

INVESTMENT MANAGER'S REPORT

TOP 10 HOLDINGS SUMMARY

Don Lam

Chief Executive Officer

Don Lam is a founding partner of the Investment Manager and has more than 20 years' experience in Vietnam. He has overseen the Investment Manager's growth from the manager of a single US\$10 million fund in 2003 into a leading investment management and real estate development firm in Southeast Asia, with a diversified portfolio of approximately US\$1.3 billion in assets under management. Before founding the Investment Manager, Mr Lam was a partner at PricewaterhouseCoopers (Vietnam), where he led the corporate finance and management consulting practices throughout the Indochina region. Additionally, Mr Lam set up the VinaCapital Foundation whose mission is to empower the children and youth of Vietnam by providing opportunities for growth through health and education projects. He also is the Vice-Chairman, Global Agenda Council on ASEAN for the World Economic Forum. He has a degree in Commerce and Political Science from the University of Toronto. He is a Chartered Accountant and is a member of the Institute of Chartered Accountants of Canada. He also holds a Securities License in Vietnam.

Brook Taylor

Chief Operating Officer

Brook Taylor is the Chief Operating Officer of the Investment Manager. Brook has more than 20 years of management experience, including more than eight years as a senior partner with major accounting firms. Previously, Brook was deputy managing partner of Deloitte in Vietnam and head of the firm's audit practice. He was also managing partner of Arthur Andersen Vietnam and a senior audit partner at KPMG. Brook has lived and worked in Vietnam since 1997. Brook's expertise spans a broad range of management and finance areas including accounting, business planning, audit, corporate finance, taxation, and IT systems risk management. He holds an Executive MBA from INSEAD, a Bachelor of Commerce and Administration from Victoria University of Wellington, and is a member of the Australia and New Zealand Institute of Chartered Accountants and Association of Chartered Certified Accountants.







Andy Ho

Managing Director and Chief Investment Officer

Andy Ho is Managing Director and Chief Investment Officer of the Investment Manager, where he oversees the capital markets, private equity, fixed income and venture capital investment teams. Previously, Mr Ho was Director of Investment at Prudential Vietnam's fund management company, where he managed the capital markets portfolio and Prudential's investment strategy. He has also held management positions at Dell Ventures (the investment Company of Dell Computer Corporation) and Ernst & Young. Mr Ho is a leading authority on capital markets investment, privatisations, and private equity deals and structures in Vietnam, where he has led private placement deals totaling over USD750 million. He holds an MBA from the Massachusetts Institute of Technology and is a Certified Public Accountant in the United States.

Loan Dang Deputy Managing

Director

Loan Dang joined VinaCapital in 2005 and is responsible for the Company's private equity investments. Ms Dang has led numerous private equity and private placement deals for the Company, and holds board positions at several of the Company's investee companies. Ms Dang has previous experience at KPMG Vietnam and Unilever Vietnam. She has an MBA from the University of Hawaii and holds an FCCA (UK) fellow membership and a BA in Finance and Accounting from the University of Economics, Ho Chi Minh City.

Duong VuongDeputy Managing

Director

Duong Vuong is responsible for the Company's capital market investments. Mr Vuong has over 20 years of investment experience including the last 9 years in Vietnam. Previously, Mr Vuong was a Research Head at PXP Vietnam Asset Management where he managed a team of analysts responsible for producing investment ideas for all of the firm's portfolios. Prior to working in Vietnam, he held various positions including Senior Investment Analyst for ADIA in Abu Dhabi and Banks Analyst for Merrill Lynch in London. He is a CFA charter holder having gained the CFA designation in 2001.







Steven Bates

Non-executive Chairman (Independent)

(Appointed 5 February 2013)

Steve Bates is a veteran investor in emerging markets, spending most of his career with the Fleming Company and its successor JP Morgan Asset Management, where he led the emerging markets team. Over the past 10 years Mr Bates has continued to manage investments across the emerging world working for GuardCap Asset Management and has added a number of non-executive roles in investment companies.

Martin Adams

Non-executive Director (Independent) (Appointed 5 February 2013)

Martin Adams has over 30 years investment and banking experience in emerging markets, including over 20 years in Vietnam, and has forged a career serving as an independent director on listed and unlisted funds. He is currently chairman of Eastern European Property Fund, Kubera Cross Border Fund, Trading Emissions and Trinity Capital, and a non-executive director of a number of other funds.

BOARD OF DIRECTORS





Michael Gray

Non-executive Director (Independent) (Appointed 24 June 2009)

Michael Gray has over 30 years' professional accounting experience and trained as a chartered accountant with Coopers & Lybrand in the UK. He was admitted as a member to the Institute of Chartered Accountants of England and Wales (FCA) in 1976. Prior to his accounting career, Mr Gray spent 10 years in the shipping industry. Apart from being a FCA, Mr Gray has a Bachelor of Science Degree in Maritime Studies from Plymouth University, a Master of Arts in South East Asian Studies from the National University of Singapore and Doctor of Business (Honoris Causa) from the University of Newcastle in Australia. He is also a Fellow of the Chartered Institute of Logistics and Transport, a Fellow of the Institute of Singapore Chartered Accountants and a Fellow of the Singapore Institute of Directors. Mr Grav was a partner in PricewaterhouseCoopers Singapore and was the founding Territorial Senior Partner for PricewaterhouseCoopers Indochina (Vietnam, Cambodia and Laos). He is a board member of several listed companies in Singapore, including Avi-tech Electronics Ltd, GSH Corporation Holdings Ltd and FSL Trust Management Pte Ltd. Mr Gray has also held many positions in Boards of Voluntary Welfare Organisations and government committees in Singapore.

Thuy Bich Dam

Non-executive Director (Independent) (Appointed 7 March 2014)

Ms Thuy Bich Dam began her career at Vietnam's Ministry of Science, Technology and Environment, responsible for coordinating treaties between the government and the World Intellectual Property Organisation (WIPO) and the European Patent Office (EPO). From 1996 to 2005, Ms Dam worked as the Natural Resources Director of ANZ Investment Bank (Singapore). Following this, Ms Dam was appointed as the CEO Vietnam, CEO Greater Mekong Region and Vice Chairwoman for the Greater Mekong Region for ANZ Bank Vietnam over a span of nearly eight years. Ms Dam was also the Chief Representative for the National Australia Bank, Vietnam from November 2013 to September 2016. She is currently the President-

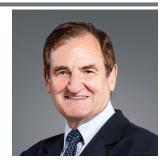
Designate of Fulbright University Vietnam. She holds a

Bachelor's degree in English from Hanoi University, an

completed the Advanced Management Program at

Harvard Business School.

MBA Finance from The Wharton School of Business and





Huw Evans

Non-executive Director (Independent)

(Appointed 27 May 2016)

Huw Evans is a Guernsey resident and qualified in London as a Chartered Accountant with KPMG (then Peat Marwick Mitchell) in 1983. He subsequently worked for three years in the Corporate Finance Department of Schroders before joining Phoenix Securities Limited in 1986. Over the next twelve years he advised a wide range of companies in financial services and other sectors in the UK and overseas on mergers and acquisitions and more general corporate strategy. Since moving to Guernsey in 2005 he has acted as a Director of a number of Guernsey-based companies and funds. He holds an MA in Biochemistry from Cambridge University.



Directorships Company Name	Stock Exchange	
Steven Bates		
Baring Emerging Europe plc	London	
The Biotech Growth Trust PLC	London	
British Empire Securities and General Trust plc	London	
F&C Capital & Income Investment Trust plc	London	
Martin Adams		
Aberdeen Latin America Income Fund Limited	London	
DWS Vietnam Fund Limited	Ireland	
Eastern European Property Fund Limited	London	
Kubera Cross-Border Fund Limited	London	
Marwyn Value Investors Limited	London	
Terra Catalyst Fund	London/Channel Islands	
Trading Emissions Plc	London	
Trinity Capital Plc	London	
Michael Gray		
GSH Corporation Limited	Singapore	
Avi-Tech Electronics Limited	Singapore	
FSL Trust Management Pte. Ltd.	Singapore	
Thuy Bich Dam		
None		
Huw Evans		
BH Macro Limited	mited London/Dubai/Bermuda	
andard Life Investments Property Income Trust Limited London		

Other than the Company, none of the Directors has a shared directorship with any other Director.

DISCLOSURE OF
DIRECTORSHIPS
IN OTHER PUBLIC
COMPANIES
LISTED ON
RECOGNISED
STOCK
EXCHANGES

The Board of Directors ("the Board") present their Annual Report together with the Audited Financial Statements of the Company for the year ended 30 June 2016.

Until 22 March 2016, the Company was incorporated in the Cayman Islands as an exempted company with limited liability. The registered office of the Company was PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The Company's shares were traded on the AIM market of the LSE.

At an Extraordinary General Meeting on 27 October 2015, Shareholders approved proposals to change the Company's domicile to Guernsey. Registration as a Guernsey company was completed on 22 March 2016. The current registered office of the Company is PO Box 225, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3QL.

On 30 March 2016, the Company's shares were cancelled from trading on AIM and admitted to the Main Market of the LSE with a Premium Listing.

The Company's investments continue to be managed by VinaCapital Investment Management Limited (the "Investment Manager").

Principal Activities

The Company is a closed-ended investment company with limited liability which was incorporated in Guernsey on 22 March 2016 under The Companies (Guernsey) Law, 2008.

Through its investments in subsidiaries, the Company mainly invests in Vietnam-focused listed and unlisted companies, debt instruments, private equity and real estate assets and other opportunities with the objective of achieving medium to long-term capital appreciation and investment income.

Life of the Company

The Company does not have a fixed life but the Board considers it desirable that Shareholders should have the opportunity to review the future of the Company at appropriate intervals. Accordingly, the Board intends that a special resolution will be proposed every fifth year that the Company ceases to continue. If the resolution is not passed, the Company will continue to operate as presently constituted. If the resolution is passed, the Directors will be required to formulate proposals to be put to Shareholders to reorganise, unitise or reconstruct the Company or for the Company to be wound up. The Board tabled such a special resolution in 2008 and in 2013 and on both occasions it was not passed, allowing the Company to continue as presently constituted. The next special resolution on the life of the Company will be held in 2018.

REPORT OF THE DIRECTORS

Investment Policy and Valuation Policy

The Company's investment objective and investment policy are set out on page 2. The valuation policy can be found in note 2 to the Financial Statements.

Performance

The Chairman's Statement and the Investment Manager's Report give details of the Company's activities and performance during the year.

The key performance indicators ("KPIs") used to measure the progress of the Company during the year include:

- the movement in the Company's NAV;
- the movement in the Company's share price; and
- discount of the share price in relation to the NAV.

Information relating to the KPIs can be found in the Financial Highlights section on page 5.

Risk Management

The Board considers risk management to be a function of its Audit Committee and a review of whose operations is set out on pages 62 to 66. On the specific question of risk management, the Audit Committee reviews at each of its meetings the risks and uncertainties faced by the Company in the form of a risk matrix and heat map. For the purposes of making the Viability Statement, the Board has undertaken a robust review of the principal risks and uncertainties facing the Company including those that would threaten its business model, future performance, solvency or liquidity. Those principal risks are described in the table below together with a description of the mitigating actions taken by the Board.

Vietnamese Market Risk

Description

Opportunities for the Company to invest in Vietnam have come about through the liberalisation of the Vietnamese economy. Were the pace or direction of change to the economy to alter in the future, the interests of the Company could be damaged.

The economy could also be affected by any escalation in geopolitical tensions in the region and elsewhere.

Mitigating Action

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 comment on macroeconomic and, where relevant, political developments in Vietnam.

Changing Investor Sentiment

Description

As a Company investing mainly in Vietnam, changes in investor sentiment towards Vietnam and/or frontier markets may lead to the Company becoming unattractive to investors leading to reduced demand for shares and a widening discount.

Mitigating Action

The Investment Manager has an active Investor Relations programme, keeping shareholders and other potential investors regularly informed on Vietnam in general and on the Company's portfolio in particular. At each Board meeting the Board receives reports from the Investment Manager and from the Broker and is updated on the composition of and any movements in the shareholder register. The Board also communicates regularly with major shareholders directly, independent of the Investment Manager.

Over the past year, the Company has migrated its domicile from Cayman Islands to Guernsey in order to demonstrate that the Company adopts the highest standards of corporate governance and has moved its trading from AIM to a premium listing on the Main Market of the LSE in order to make the shares attractive to as wide an audience of investors as possible.

In seeking to close the discount, the Board has also approved and is implementing an extensive share buyback programme, the details of which are set out on page 47.

Investment Performance

Description

The performance of the Company's investment portfolio could be poor, either absolutely or in relation to the Company's peers.

Some of the Company's real estate investments take the form of minority interests in joint projects with VinaLand Limited ("VinaLand"), an independent company also managed by the Investment Manager. VinaLand has been following a strategy of returning capital to shareholders over the past four years. VinaLand's interests and the Company's interests may not, therefore, be the same and, as a minority partner in any project, the Company's influence is limited.

Mitigating Action

The Board monitors the allocation of the Company's portfolio to the various classes of assets and receives regular reports on the performance of the portfolio and on those underlying assets. The Investment Manager attends all Board meetings and the Board visits Vietnam for more detailed meetings, including with investee companies, twice each year.

The Investment Manager, following instructions from the Board, has been divesting its real estate investments, in line with VinaLand's strategy of realising investments and returning capital to shareholders. The realisations to date have, in aggregate, been at sales prices above carrying value.

The Company has a shareholding in VinaLand and seeks to influence the overall strategy of VinaLand in order to protect the Company's interests in the jointly held projects.

Description

The risks associated with the fair valuation of the portfolio could result in the Net Asset Value of the Company being misstated.

The quoted companies in the portfolio are carried at market price but many of the holdings are of a size which would make them difficult to liquidate in the ordinary course of market activity.

The fair valuation of OTC stocks and private equity investments is carried out according to international valuation standards but the investments are not readily liquid and may not be immediately realisable at the stated carrying values.

The fair valuation of the real estate investments is carried out in a manner consistent with international real estate valuation guidelines and processes. However, the assets are also illiquid (and may be part of joint ventures) which would make a sale difficult at the stated carrying valuations.

The values of the Company's underlying investments are, in the main, denominated in Vietnamese Dong whereas the Company's accounts are prepared in US Dollars and investments entered into at the Company level are denominated in US Dollars. Exchange rate fluctuations and Vietnamese currency devaluation could have a material effect on the NAV.

Fair Valuation

Mitigating Action

The Board reviews the valuation of the quoted investment portfolio with the Investment Manager each quarter and questions any unexpected or sharp movements in market prices.

In relation to real estate and private equity investments, the Board works with the Investment Manager and has appointed independent external valuers in order to assist the Board in determining fair values in accordance with international financial reporting standards.

In addition, the external auditors review the portfolio valuations at the time of the annual audit.

Investment Management Agreement

Description

The Investment Management Agreement requires the Investment Manager to provide competent, attentive and efficient services to the Company. If the Investment Manager was not able to do this or if the Investment Management Agreement were terminated, there could be no assurance that a suitable replacement could be found in Vietnam and, under those circumstances, the Company would suffer.

Mitigating Action

The Board maintains close contact with the Investment Manager and key personnel of the Investment Manager attend each Board meeting. The Board visits the Investment Manager and meets with key individuals in Vietnam twice each year.

Operational

Description

The Company is dependent on third parties for the provision of all systems and services (in particular, those of the Investment Manager) and any control failures and gaps in these systems and services could result in a loss or damage to the Company.

Mitigating Action

The Board receives regular reports from the Investment Manager on its internal policies, controls and risk management. It also receives an annual assurance from the Investment Manager on the adequacy and effectiveness of the internal controls of the Company. The Investment Manager has appointed Ernst & Young LLP ("EY LLP") as its internal auditor and the Board has direct unfettered access to EY LLP for any purpose. In addition, EY LLP report regularly to the Board on their findings. The Board has sought to ensure segregation of functions through the appointment of Northern Trust International Fund Administration Services (Guernsey) Limited ("Northern Trust") as independent administrator, and Standard Chartered Bank as custodian for those assets which can be held by a third party custodian. Further details of the internal controls which are in place are set out on pages 54 to 55.

Legal and Regulatory

Description

Failure to comply with relevant regulation and legislation in Vietnam, Guernsey or the UK may have an impact on the Company.

Although there are anti-bribery and corruption policies in place at the Company, the Investment Manager and all other service providers, the Company could be damaged and suffer losses if any of these policies were breached.

Mitigating Action

The laws and regulations in Vietnam are at an early stage of development and are not well established. The Investment Manager maintains a risk and compliance department which monitors compliance with local laws and regulations as necessary. Locally based external lawyers (typically part of major international law firms) are engaged to advise on portfolio transactions where necessary. As to its non-Vietnamese regulatory and legal responsibilities, the Company is administered in Guernsey by Northern Trust which reports to the Board at each Board meeting on Guernsey compliance matters and more general issues applicable to Guernsey companies listed on the LSE. In addition, from time to time the Board uses external experts to advise on specific matters.

The Investment Manager and other service providers confirm to the Board at least annually that they maintain anti-bribery and corruption policies and disclose if there have been any breaches of these policies.

Dividend Policy

It is intended that the Company's income will consist wholly or mainly of investment income. For the current year, no dividend is recommended, but the Directors will review annually the question of whether to pay a dividend.

Discount Management

The Board will continue to operate the share buyback programme in an effort to ensure that the share price more closely reflects the underlying NAV per share. While no public announcement has been made in terms of the target percentage discount or the volume of funds to be allocated to buybacks, the Board considers the current discount to be too high.

The Board will continue to retain responsibility for setting the parameters for the discount management policy, for overseeing the management of the buyback programme and for ensuring that its policy is implemented. The Board intends to continue to seek to narrow the discount through the continued use of share buybacks. The Board's objective is to achieve a narrowing of the discount in a manner that is sustainable over the longer term. The Board and the Investment Manager intend to consult regularly with Shareholders with a view to assessing and improving the effectiveness of the buyback programme. Further comments on the buyback programme are set out in the Chairman's Statement.

Refer to note 10 for details of share buybacks during the year under review.

Corporate Governance Statement

To comply with the UK Listing Regime, the Company must comply with the requirements of the UK Corporate Governance Code (the "Code"). The Company is also required to comply with the Guernsey Code of Corporate Governance (the "Guernsey Code").

The Company is a member of the Association of Investment Companies (the "AIC") and by complying with the AIC Code of Corporate Governance ("AIC Code") is deemed to comply with both the Code and the Guernsey Code.

The Board has considered the principles and recommendations of the AIC Code by reference to the AIC Corporate Governance Guide for Investment Companies ("AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to Investment Companies.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the Code), will provide clear information to Shareholders. To ensure ongoing compliance with these principles the Board receives and reviews a report from the secretary, at each quarterly meeting, identifying whether the Company is in compliance and recommending any changes that are necessary.

Corporate Governance Statement (continued)

The Company has complied with the recommendations of the AIC Code and the relevant provisions of the Code, except as set out below.

The Code includes provisions relating to:

- the role of the chief executive
- executive directors' remuneration
- the need for an internal audit function
- whistle-blowing policy

For the reasons set out in the AIC Guide, and as explained in the AIC Code, the Board considers that these provisions are not relevant to the position of the Company as it is an externally managed investment company with a Board formed exclusively of non-executive Directors. The Company has therefore not reported further in respect of these provisions.

Board Composition

The Board consists of five non-executive Directors, each of whom is independent of the Investment Manager. No member of the Board is a Director of another investment company managed by the Company's Investment Manager, nor has any Board member been an employee of the Company, its Investment Manager or any of its service providers.

The Board has considered whether a Senior Independent Director ("SID") should be appointed. However, as the Board comprises entirely non-executive directors, the appointment of a SID is not currently necessary.

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

The Board believes that each Director has appropriate qualifications, industry experience and expertise to guide the Company and that the Board as a whole has an appropriate balance of skills, experience and knowledge. The Directors' biographies can be found on pages 36 to 38.

Re-election of Directors

The principle set out in the Code is that Directors should submit themselves for re-election at regular intervals and at least every three years, and in any event as soon as it is practical after their initial appointment to the Board. It is a further requirement that non-executive Directors are appointed for a specific period.

However, the Board has determined that all Directors will submit themselves for annual re-election by Shareholders. The individual performance of each Director standing for re-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.

Re-election of Directors (continued)

The Board has adopted a formal policy requiring that Directors should stand down at the AGM following the ninth anniversary of their initial appointment.

Michael Gray, who was appointed to the Board in June 2009, will be retiring at the forthcoming AGM and will not put himself forward for re-election.

Board Proceedings

New appointees to the Board are provided with a full induction programme. The programme covers the Company's investment strategy, policies and practices.

The Directors are also given key information on the Company's regulatory and statutory requirements as they arise, including information on the role of the Board, matters reserved for its decision, the terms of reference for the Board Committees, the Company's corporate governance practices and procedures and the latest financial information. It is the Chairman's responsibility to ensure that the Directors have sufficient knowledge to fulfil their role and Directors are encouraged to participate in training courses where appropriate.

The Directors have access to the advice and services of a Company Secretary, who is responsible to the Board for ensuring that Board procedures are followed. The Company Secretary is also responsible for ensuring good information flows between all parties.

The Board meets regularly throughout the year and representatives of the Investment Manager are in attendance, when appropriate, at each meeting and most Committee meetings. The Chairman encourages open debate to foster a supportive and co-operative approach for all participants.

The Board has agreed a schedule of matters specifically reserved for decision by the Board. This includes establishing the investment objectives, strategy and benchmarks, the permitted types or categories of investments, the markets in which transactions may be undertaken, the level of permitted gearing and borrowings, the amount or proportion of the assets that may be invested in any category of investment or in any one investment, and the Company's treasury and share buyback policies.

The Board, at its regular meetings, undertakes reviews of key investment and financial data, revenue projections and expenses, analyses of asset allocation, transactions and performance comparisons, share price and net asset value performance, marketing and shareholder communication strategies, the risks associated with pursuing the investment strategy, peer Company information and industry issues.

The Board is responsible for strategy and has established a predetermined annual programme of agenda items under which it reviews the objectives and strategy for the Company at each meeting.

Board Committees

There are four Board committees in operation: the Audit Committee, Management Engagement Committee, Remuneration Committee and Nomination Committee. The chairmanship and membership of each Committee throughout the year, and the number of meetings held during the year, are shown in the table on page 52.

A summary of the duties of each of the Committees is provided below. The terms of reference are available on the Company's website www.vof-fund.com.

Audit Committee

The Audit Committee, which meets at least three times a year, comprises all independent non-executive Directors and is chaired by Mr Gray. Mr Evans will become the chairman of the Audit Committee on Mr Gray's retirement at this year's AGM.

The Audit Committee is responsible for monitoring the process of production and ensuring the integrity of the Company's accounts and advises the Board that the accounts are fair, balanced and understandable.

One of the responsibilities of the Audit Committee is to oversee the relationship with the External Auditor. In discharging its responsibility to oversee the External Auditor's independence, the Audit Committee considers whether any other engagements provided by the auditor will have an effect on, or perception of, compromising the External Auditor's independence and objectivity. The performance of services outside of external audit must be specific and approved by the Audit Committee Chairman.

The Audit Committee is also responsible for recommending to the Board the valuation of investments. In seeking to determine the fair value of the Company's real estate and private equity investments, the Committee reviews the reports of independent valuation specialists as well as reviewing the Investment Manager's valuation process. Each individual valuation is reviewed in detail and the recommendations of the independent valuers may be accepted or modified. The Committee approves the fair value of investments used to prepare the Financial Statements. Refer to note 3 to the Financial Statements for further information on the valuation of investments held by the Company.

A report of the Audit Committee detailing responsibilities and activities is presented on pages 62 to 66.

The Audit Committee's Chairman presents the Committee's findings to the Board at the next Board meeting following a meeting of the Audit Committee.

Management Engagement Committee

The Management Engagement Committee comprises all independent non-executive Directors and is chaired by Mr Adams. The Committee's responsibilities include: reviewing the performance of the Investment Manager under the IMA and to consider any variation to the terms of the agreement. The Management Engagement Committee also reviews the performance of the Company Secretary, Corporate Brokers, Custodian, Administrator and Registrar and any matters concerning their respective agreements with the Company.

Management Engagement Committee (continued)

The IMA between the Company and the Investment Manager sets out the limits of the Investment Manager's authority, beyond which Board approval is required. The Board has also agreed detailed investment guidelines with the Investment Manager, which are considered at each board meeting.

Representatives of the Investment Manager attend each meeting of the Board to address questions on specific matters and to seek approval for specific transactions which the Investment Manager is required to refer to the Board, for example investing in real estate or unquoted investments.

The Board has delegated discretion to the Investment Manager to exercise voting powers on its behalf, other than for contentious or sensitive matters which are to be referred to the Board for consideration.

As disclosed in the Report of the Audit Committee, a difference of interpretation arose between the Company and the Investment Manager about certain provisions of the IMA relating to the incentive fee during the preparation of the prior year financial statements. On page 64, the Report of the Audit Committee details the action taken and agreement reached by the Board and the Investment Manager.

Remuneration Committee

The Remuneration Committee comprises all independent non-executive Directors and is chaired by Ms Dam. The Committee's responsibilities include: recommending to the Board the policy for the remuneration of the Company's Chairman, the Audit Committee Chairman and the remaining non-executive Directors, and reviewing the ongoing appropriateness and relevance of the remuneration policy; determining the individual remuneration policy of each non-executive Director; agreeing the policy for authorising Directors' expenses claims; and the selection and appointment of any remuneration consultants who advise the Committee.

The Directors' Remuneration Report is presented on pages 67 to 68.

Nomination Committee

The Nomination Committee comprises all independent non-executive Directors and is chaired by Mr Bates. The Committee's responsibilities include: reviewing the structure, size and composition of the Board and making recommendations to the Board in respect of any changes; succession planning for the Chairman and the remaining non-executive Directors; making recommendations to the Board concerning the membership and chairmanship of the Board committees; identifying and nominating for the approval of the Board candidates to fill Board vacancies; and, before any new appointment is recommended; evaluating the balance of skills, knowledge, experience and diversity within the Board and preparing an appropriate role description.

Board and Committee Meetings

During the year ended 30 June 2016, the number of scheduled Board and Committee meetings attended by each Director was as follows:

			Management	Maria de la Propiesa	
	Board meetings	Valuation Committee meetings ⁶	Engagement Committee meetings	Nomination F Committee meetings	Committee meetings
Number of meetings	8	4	-	1	1
Attendance					
Steven Bates ¹	8	4	_	1	1
Martin Adams ²	8	4	_	1	1
Thuy Bich Dam ³	8	4	_	1	1
Michael Gray ⁴	8	4	_	1	1
Huw Evans ⁵	1	1	_	_	

¹ Steven Bates is Chairman of the Board and the Nomination Committee.

It is the intention that the Management Engagement Committee, the Remuneration Committee and the Nomination Committee each meet at least once each year. However, during the year ended 30 June 2016, the external service providers were substantially changed as a result of the Company's change of domicile to Guernsey and the Investment Manager was extensively involved in this project. Consequently, the Management Engagement Committee did not formally meet during the year but a meeting was held on 11 October 2016 at which the performance of the Investment Manager and the new external service providers was reviewed. At that meeting the Management Engagement Committee concluded that it was in the best interests of the Company that the Investment Manager continues to act under the terms of the Third Amended Investment Management Agreement which was subsequently signed on 27 October 2016.

In addition to the scheduled meetings noted above, several ad hoc meetings of the Board were held during the year which were attended by those Directors available at the time.

² Martin Adams is Chairman of the Management Engagement Committee.

³ Thuy Bich Dam is Chairman of the Remuneration Committee.

⁴ Michael Gray is the Chairman of the Audit Committee.

⁵ Huw Evans was appointed to the Board on 27 May 2016.

⁶ Until 29 July 2016, the Audit Committee was referred to as Audit and Valuation Committee.

Appointment of new Directors

For new appointments to the Board, nominations are sought from the Directors and from other relevant parties and candidates are then interviewed by the Nomination Committee. The Board has a breadth of experience relevant to the Company, and the Directors believe that any changes to the Board's composition can be managed without undue disruption. An induction programme is provided for newly-appointed Directors.

Board Performance

The Board has a formal process to evaluate its own performance and that of its Chairman annually. The Chairman leads the assessment which covers the functioning of the Board as a whole, the effectiveness of the Board Committees and the independence of each Director. Where necessary the Chairman discusses the responses with each Director individually. The Chairman absents himself from the Board's review of his effectiveness as the Company Chairman.

During the year ended 30 June 2016, the review considered the Board's objectives and how the contributions made individually and collectively to Board meetings helped the Company to achieve its objectives.

The Board is satisfied that the structure, mix of skills and operation of the Board continue to be effective and relevant for the Company.

The Board must ensure that the Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for Shareholders to assess the Company's performance, business model and strategy. In seeking to achieve this, the Directors have set out the Company's investment objective and policy and explain how the Board and its delegated Committees work and how the Directors review the risk environment within which the Company operates and set appropriate risk controls. Furthermore, throughout the Annual Report the Board has sought to provide further information to enable Shareholders to understand the Company's business and financial performance.

Policy to combat fraud, bribery and corruption

The Board has adopted a formal policy to combat fraud, bribery and corruption. The policy applies to the Company and to each of its Directors. Further, the policy is shared with each of the Company's service providers, each of which confirms its compliance to the Board.

Internal Controls and Risk

(i) Risk

The Company's risk exposure and the effectiveness of its risk management and internal control systems are reviewed by the Audit Committee and by the Board at their meetings. The Board believes that the Company has adequate and effective systems in place to identify, mitigate and manage the risks to which it is exposed.

(ii) Management System

The Investment Manager's Enterprise Risk Management ("ERM") framework provides a structured approach to managing risk across all of its managed funds by establishing a risk management culture through education and training, formalized risk management procedures, defining roles and responsibilities with respect to managing risk, and establishing reporting mechanisms to monitor the effectiveness of the framework. The Audit Committee works closely with the Investment Manager on the application and review of the ERM framework to the Company's risk environment.

Regular risk assessments and reviews of internal controls are undertaken by the Audit Committee in the context of the Company's investment policy. The reviews cover the strategic, investment, operational and financial risks facing the Company. In arriving at its judgement of the risks which the Company faces, the Board has considered the Company's operations in light of the following factors:

- the nature and extent of risks which it regards as acceptable for the Company to bear within its overall business objective;
- the threat of such risks becoming reality;
- the Company's ability to reduce the incidence and impact of risk on its performance; and
- the cost to the Company and benefits related to the Company of third parties operating the relevant controls.

(iii) Internal Control Assessment Process

Responsibility for the establishment and maintenance of an appropriate system of internal control rests ultimately with the Board. However, the Board is dependent on the Investment Manager to achieve this and a process has been established which seeks to:

- Review the risks faced by the Company and the controls in place to address those risks
- Identify and report changes in the risk environment
- Identify and report changes in the operational controls
- · Identify and report on the effectiveness of controls and errors arising
- Ensure no override of controls by its service providers, the Investment Manager and Administrator.

Internal Controls and Risk (continued)

(iii) Internal Control and Assessment Process (continued)

The key procedures which have been established to provide effective internal financial controls are as follows:

- investment management is provided by the Investment Manager. The Board is responsible for the overall investment policy and monitors the investment performance, actions and regulatory compliance of the Investment Manager at regular meetings;
- accounting for the Company and its subsidiaries was provided by the Investment Manager up to 1 October 2015 and, from that date, the Administrator took over accounting for the Company itself, leaving accounting for the subsidiaries the responsibility of the Investment Manager;
- the provision of fund administration by HSBC and, with effect from 1 October 2015 by Northern Trust;
- · custody of listed and OTC assets is undertaken by Standard Chartered Bank;
- The Management Engagement Committee monitors the contractual arrangements with each of the service providers and their performance under these contracts;
- mandates for authorisation of investment transactions and expense payments are set by the Board and documented in the Investment Management Agreement;
- the Board receives financial information produced by the Investment Manager on a regular basis. Board meetings are held at least once a quarter to review such information; and
- actions are taken to remedy any significant failings or weaknesses, if identified. No significant failings or weaknesses were identified during the year.

(iv) Internal Audit Function

The Investment Manager has appointed EY LLP as its internal auditor and the Board has direct unfettered access to EY LLP for any purpose. In addition, EY LLP reports regularly to the Board on their findings. The Management Engagement Committee has reviewed the need for an internal audit function for the Company itself. The Management Engagement Committee has concluded that the systems and procedures employed by the Investment Manager and the Administrator, including their own internal audit functions, currently provide sufficient assurance that a sound system of internal control, which safeguards the Company's assets, is maintained. An internal audit function specific to the Company is therefore considered unnecessary.

Directors' Dealings

The Company has adopted a Code of Directors' dealings in securities.

Relations with Shareholders

A detailed analysis of the substantial Shareholders of the Company is provided to the Directors at each Board meeting. The Chairman and representatives of the Investment Manager regularly meet with institutional Shareholders to discuss strategy and to understand their issues and concerns and, if appropriate, to discuss corporate governance issues. The results of such meetings are reported at the following Board meeting.

Regular reports from the Company's brokers are submitted to the Board on investor sentiment and industry issues.

Shareholders wishing to communicate with the Chairman, or any other member of the Board, may do so by writing to the Company, for the attention of the Company Secretary, at the Registered Office. The Directors welcome the views of all Shareholders and place considerable importance on communications with them.

The Company aims to provide Shareholders with a full understanding of the Company's investment objective, policy and activities, its performance and the principal investment risks by means of informative Annual and Half Year reports. This is supplemented by the publication by the Investment Manager of a monthly fact sheet.

The Company's website, www.vof-fund.com, is regularly updated with monthly factsheets and provides useful information about the Company including the Company's financial reports and announcements.

The Annual General Meeting of the Company provides a forum for Shareholders to meet and discuss issues with the Directors of the Company.

Foreign Account Tax Compliance Act ("FATCA")

For purposes of the US FATCA, the Company registered with the US Internal Revenue Services ("IRS") as a Guernsey reporting Foreign Financial Institution ("FFI"), received a Global Intermediary Identification Number GUHZUZ.99999.SL.831, and can be found on the IRS FFI list.

The Company is subject to Guernsey regulations and guidance based on reciprocal information sharing intergovernmental agreements which Guernsey has entered into with the United Kingdom and the United States of America. The Board will take the necessary actions to ensure that the Company is compliant with Guernsey regulations and guidance in this regard.

Common Reporting Standard ("CRS")

The CRS is a standard developed by the Organisation for Economic Co-operation and Development (OECD) and is a global approach to the automatic exchange of tax information. Guernsey has adopted the CRS which came into effect on 1 January 2016.

The CRS has replaced the UK Inter-Governmental Agreement ("IGA") from 1 January 2016. The first report for CRS will be made to the Director of Income Tax by 30 June 2017.

The Company is subject to Guernsey regulations and guidance on the automatic exchange of tax information and the Board will therefore take the necessary actions to ensure that the Company is compliant in this regard.

Share Capital and Treasury Shares

The number of shares in issue at the year end is disclosed in note 10 to the Financial Statements.

Directors' Interests in the Company

As at 30 June 2016 and 30 June 2015, the interests of the Directors in shares of the Company are as follows:

	Shares held as at 30 June 2016	Shares held as at 30 June 2015
Steven Bates	-	_
Martin Adams	_	_
Thuy Bich Dam	_	_
Michael Gray	100,000	100,000
Huw Evans	_	_

There have been no changes to any holdings between 30 June 2016 and the date of this report.

Substantial Shareholdings

As at 30 June 2016 and 30 September 2016, the Directors were aware of the following interests in the Company's voting rights:

	30 June 2016 Number of		30 Septe Number of	mber 2016
Shareholder	ordinary shares	% of voting rights	ordinary shares	% of voting rights
Euroclear Nominees Limited	47,467,587	22.75%	45,413,600	21.77%
Citibank Nominees (Ireland) Limited	30,633,532	14.68%	26,014,864	12.47%
Vidacos Nominees Limited	16,262,788	7.79%	17,001,669	8.15%
State Street Nominees Limited	16,070,089	7.70%	17,888,377	8.57%
The Bank of New York (Nominees) Limited	16,051,639	7.69%	17,715,672	8.49%
Lynchwood Nominees Limited	14,596,607	7.00%	14,558,285	6.98%
Securities Services Nominees Limited	14,102,743	6.76%	12,345,721	5.92%
Nortrust Nominees Limited	8,794,406	4.21%	8,934,299	4.28%
HSBC Global Custody Nominee (UK) Limited	6,926,147	3.32%	7,927,639	3.80%

Annual General Meeting ("AGM")

The Company's next AGM will be held at the offices of Northern Trust at Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3QL. The Notice of Meeting is set out at the back of the Annual Report.

Ongoing Charges

Ongoing charges are the recurring expenses incurred by the Company excluding one-off expenses. Ongoing charges for the years ended 30 June 2016 and 30 June 2015 have been prepared in accordance with the AIC's recommended methodology. The ongoing charges including performance fees for the year ended 30 June 2016 were 3.0% (30 June 2015: 2.2%) (see Financial Highlights section). The ongoing charges excluding performance fees for the year ended 30 June 2016 were 1.8% (30 June 2015: 1.7%). Performance fees for the year ended 30 June 2016 were USD8.2 million (30 June 2015: USD3.7 million).

Going Concern and Viability Statement

The Company is exposed to a number of risks and uncertainties as listed on pages 41 to 46 and, as noted, the Directors monitor and assess these risks on a regular basis. The Directors confirm that their assessment of the principal risks facing the Company is robust and, for the purposes of complying with the Code, that they have assessed the viability of the Company over the three years to 30 June 2019. The Directors consider this period sufficient given the inherent uncertainty of the investment world and the specific issues which the Company faces in investing in Vietnam.

An additional factor which the Directors have considered is the continuation vote which will be put to shareholders in 2018. In seeking to ensure that shareholders retain confidence in the Company, the Investment Manager meets regularly with shareholders and has an active investor relations programme. In addition, the Directors have undertaken a number of actions aimed at reducing the discount at which the Company's shares have been trading in relation to NAV, including migrating the domicile of the Company to Guernsey, moving the quotation on AIM to a premium listing on the Main Market of the LSE and resolving that the Company carry out a significant share buyback programme. The Directors cannot predict what the outcome of the continuation vote will be but have no present indication that the vote will not be positive and, in making the viability statement, have assumed that the Company will continue to operate in its present form beyond the continuation vote.

The Directors, having considered the above risks and other factors, have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three-year period of their assessment.

After making enquiries and given the nature of the Company and its investments, the Directors are also satisfied that there are no material uncertainties and that it is appropriate to continue to adopt the going concern basis in preparing these Financial Statements.

Subsequent Events After the Reporting Date

On 27 October 2016, the IMA was amended ("Third Amended IMA") which clarified the calculation of incentive fees. The clarification did not result in adjustments to the incentive fees expensed as of and for the year ended 30 June 2016.

On behalf of the Board

Steven Bates

Chairman
VinaCapital Vietnam Opportunity Fund Limited
27 October 2016

The Directors are responsible for preparing Financial Statements in accordance with IFRS and the Companies (Guernsey) Law, 2008 for each financial period which give a true and fair view of the state of affairs of the Company and its profit or loss for that period. International Accounting Standard 1 – Presentation of Financial Statements requires that financial statements present fairly for each financial period the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's ("IASB") "Framework for the preparation and presentation of financial statements". In virtually all circumstances a fair presentation will be achieved by compliance with all applicable IFRS.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to ensure that the Financial Statements have been prepared in accordance with the Companies (Guernsey) Law, 2008 and IFRS. They are also responsible for safeguarding the assets of the Company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

In preparing the Financial Statements the Directors are required to:

- ensure that the Financial Statements comply with the Memorandum & Articles of Incorporation and IFRS;
- select suitable accounting policies and apply them consistently;
- present information including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information:
- make judgements and estimates that are reasonable and prudent;
- prepare the Financial Statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business; and
- provide additional disclosures when compliance with the specific requirements of IFRS is insufficient to
 enable users to understand the impact of particular transactions, other events and conditions on the
 Company's financial position and financial performance.

The Directors confirm that they have complied with these requirements in preparing the Financial Statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Responsibility Statement of the Directors in Respect of the Financial Statements

Each of the Directors confirms to the best of each person's knowledge and belief that:

- a) The Financial Statements have been prepared in accordance with IFRS and give a true and fair view of the financial position and profit of the Company as at and for the year ended 30 June 2016.
- b) The Annual Report includes a fair view of the information required by DTR 4.1.8R and DTR 4.1.11R, which provides an indication of important events and a description of principal risks and uncertainties which face the Company.

Directors' Statement

So far as each of the Directors is aware, there is no relevant audit information of which the Company's auditor is unaware, and each Director has taken all the steps they 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. In the opinion of the Board, the Annual Report and Financial Statements taken as a whole, are fair, balanced and understandable and provides the information necessary to assess the Company's performance, business model and strategy.

On behalf of the Board

Steven Bates

Chairman
VinaCapital Vietnam Opportunity Fund Limited
27 October 2016

On the following pages, we present the Audit Committee's (the "Committee") Report for the year ended 30 June 2016, setting out the Committee's structure and composition, principal duties and key activities during the year. As in previous years, the Committee has reviewed the Company's financial reporting, the independence and effectiveness of the Independent Auditor and the internal control and risk management systems of the service providers.

Structure and Composition

The Committee is chaired by Michael Gray. All other Directors of the Company are members of the Committee.

Appointment to the Committee is for a period up to three years which may be extended for two further three year periods provided that the majority of the Committee remain independent of the Investment Manager.

Huw Evans was appointed to the Board and to the Committee on 27 May 2016.

The Committee conducts formal meetings at least three times a year. The table on page 52 sets out the number of Committee meetings held during the year ended 30 June 2016 and the number of such meetings attended by each committee member. The Independent Auditor is invited to attend those meetings at which the annual and interim reports are considered. The Independent Auditor, Internal Auditor and the Committee meet together every year without the presence of either the Administrator or the Investment Manager and at other times if the Committee deems this to be necessary.

Principal Duties

The role of the Committee includes:

- monitoring the integrity of the published Financial Statements of the Company and advising the Board on whether, taken as a whole, the Annual Report and Financial Statements are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy;
- reviewing and reporting to the Board on the significant issues and judgements made in the preparation of the Company's Annual Report and Financial Statements, having regard to matters communicated by the Independent Auditor, significant financial returns to regulators and other financial information;
- monitoring and reviewing the quality and effectiveness of the Independent Auditor and their independence and making recommendations to the Board on their appointment, reappointment, replacement and remuneration;

REPORT OF THE AUDIT COMMITTEE

Principal Duties (continued)

- carrying out a robust assessment of the principal risks facing the Company and including in the Annual Report and Financial Statements a description of those risks and explaining how they are being managed or mitigated; and
- recommending valuations of the Company's investments to the Board.

The complete details of the Committee's formal duties and responsibilities are set out in the Committee's Terms of Reference, which can be obtained from the Company's Administrator.

Independent Auditor

PricewaterhouseCoopers CI LLP ("PwC CI") was appointed as the Independent Auditor with effect from 24 May 2016 following the change of domicile of the Company from the Cayman Islands to Guernsey. Prior to this PricewaterhouseCoopers Hong Kong was the Independent Auditor.

The independence and objectivity of the Independent Auditor is reviewed by the Committee, which also reviews the terms under which the Independent Auditor is appointed to perform any non-audit services. The Committee has established policies and procedures governing the engagement of the auditor to provide non-audit services. These are that the Independent Auditor may not provide a service which:

- places them in a position to audit their own work;
- · creates a mutuality of interest;
- results in the Independent Auditor functioning as a Manager or Employee of the Company; and
- puts the Independent Auditor in the role of Advocate of the Company.

The audit and any non-audit fees proposed by the Independent Auditor each year are reviewed by the Committee taking into account the Company's structure, operations and other requirements during the period and the Committee makes recommendations to the Board.

The Committee has examined the scope and results of the external audit, its cost effectiveness and the independence and objectivity of the Independent Auditor, with particular regard to non-audit fees, and considers PwC CI, as Independent Auditor, to be independent of the Company.

Key Activities

The following sections discuss the principal assessments made by the Committee during the year:

Significant Financial Statement Issues

Valuation of Investments:

The fair value of the Company's investments at 30 June 2016 was USD789.7 million accounting for 99.2% of the Company's assets (30 June 2015: USD717.8 million and 99.2%, respectively).

In relation to the listed investments and OTC securities, the Committee satisfies itself that the Investment Manager has used the appropriate market values as at the Statement of Financial Position date.

In relation to the real estate and private equity investments, the Committee has concentrated on ensuring that the Investment Manager has applied appropriate valuation methodologies.

Members of the Committee meet the Independent Valuer and the Investment Manager at least annually to discuss the valuation process. The Committee gains comfort in the valuations produced by reviewing the methodologies used. The methodologies and valuations were discussed and subsequently approved by the Committee in meetings with the Independent Valuer and Investment Manager in May and July 2016. The Committee has thus satisfied itself that the valuation techniques are appropriate.

Calculation of incentive fee:

During the preparation of the prior year financial statements, a difference of interpretation arose between the Company and the Investment Manager about certain provisions of the IMA relating to the incentive fee. The Board took independent legal advice on the matter and, in order to avoid the costs and financial uncertainty of recourse to a legal solution, the Board and the Investment Manager agreed that the incentive fee payable for the year ended 30 June 2015 was USD3.7 million, which was fully settled. The Investment Manager and the Board have now amended the IMA to reduce the possibility of differences of interpretation in the future. No incentive fee was accrued on the Company's performance for the six month period ended 31 December 2015 as the Board and the Investment Manager did not expect at that time that any incentive fee would be payable for that period under the Amended IMA. However, now that the performance of the Company for the year ended 30 June 2016 has been determined, a performance fee for the year of USD8.2 million has been accrued. The maximum incentive fee that can be paid in any given year in respect to a portfolio is 1.5% of the weighted average NAV of that portfolio over the period for which the incentive fee is calculated. Any incentive fees earned in excess of the cap may be paid out in subsequent years providing that certain performance targets are met.

Effectiveness of the Audit

The Committee held formal meetings with PwC CI before the start of the audit to discuss formal planning, to discuss any potential issues and to agree the scope that would be covered and, after the audit work was concluded, to discuss the significant issues which arose.

The Committee considered the effectiveness and independence of PwC CI by using a number of measures, including but not limited to:

- Reviewing the audit plan presented to them before the start of the audit;
- Reviewing and challenging the audit findings report including variations from the original plan;
- Reviewing any changes in audit personnel; and
- Requesting feedback from both the Investment Manager and the Administrator.

Following this evaluation, the Committee was satisfied that there had been appropriate focus and challenge on the significant and other key areas of audit risk and assessed the quality of the audit process to be good.

Audit fees and Safeguards on Non-Audit Services

The table below summarises the remuneration paid by the Company to PwC CI and to other PwC member firms for audit and non-audit services during the years ended 30 June 2016 and 30 June 2015.

	Year ended 30 June 2016 USD'000	Year ended 30 June 2015 USD'000
Audit and assurance services		
- Annual audit	194	134
- Interim review	131	123
Non-audit services		
- Tax opinion on re-domicile	26	-
- Clinical improvement programme for an investment target in Vietnam	35	_
 Advisory and reporting accountant services on admission to LSE Main Market 	667	_
Total	1,053	257

Audit fees and Safeguards on Non-Audit Services (continued)

The Committee considers PwC CI to be independent of the Company. Further, the Committee has obtained PwC CI's confirmation that the services provided by other PwC member firms to the wider VinaCapital organisation do not prejudice its independence.

Internal Control

At each of its meetings during the year, the Committee reviewed the Investment Manager's internal control report and, during the year, met with EY LLP, the internal auditor appointed by the Investment Manager, to discuss the control environment and the outcome of their review of the Investment Manager's internal control. The Committee also reviewed the externally prepared Service Organisation Control ("SOC1") report on the control environment in place at the Administrator.

Conclusion and Recommendation

On the basis of its work carried out over the year, and assurances given by the Investment Manager and the Administrator, the Committee is satisfied that the Financial Statements appropriately address the critical judgements and key estimates (both in respect to the amounts reported and the disclosures). The Committee is also satisfied that the significant assumptions used for determining the value of assets and liabilities have been appropriately scrutinised and challenged and are sufficiently robust. At the request of the Board, the Committee considered and were satisfied that the 30 June 2016 Annual Report and Financial Statements were fair, balanced and understandable and that they provided the necessary information for Shareholders to assess the Company's performance, business model and strategy.

PwC CI reported to the Committee that no material misstatements were found in the course of its work. Furthermore, both the Investment Manager and the Administrator confirmed to the Committee that they were not aware of any material misstatements including matters relating to the presentation of the Financial Statements. The Committee confirms that it is satisfied that PwC CI has fulfilled its responsibilities with diligence and professional scepticism.

Following the review process on the effectiveness of the independent audit and the review of audit and non-audit services, the Committee has recommended that PwC CI be reappointed for the coming financial year.

For any questions on the activities of the Committee not addressed in the foregoing, a member of the Audit Committee remains available to attend the AGM to respond to such questions.

Michael Gray

Audit Committee Chairman 27 October 2016

Introduction

An ordinary resolution for the approval of the Directors' remuneration report will be put to the Shareholders at the AGM to be held on 21 December 2016.

Policy on Directors' Fees

The Board's policy is that the remuneration of the independent non-executive Directors should reflect the experience and time commitment of the Board as a whole, and is determined with reference to comparable organisations and available market information each year.

Independent Directors' Fees

The fees for the independent Directors are determined within the limit set out in the Company's Articles of Incorporation, which provide that the aggregate total remuneration paid to independent Directors shall not exceed USD500,000 (or such higher amount as may be approved by the Company in a general meeting) in respect of any 12-month period.

The policy is to review the fee rates periodically, although such a review will not necessarily result in any changes.

For the year ended 30 June 2016, Directors' remuneration remained the same as the previous year, being USD90,000 for the Chairman and USD75,000 for the independent Directors, with USD5,000 for membership of the Audit Committee and USD15,000 for chairmanship of the same.

There are no long term incentive schemes provided by the Company and no performance fees are paid to Directors.

DIRECTORS' REMUNERATION REPORT

Directors' Emoluments for the Year

The Directors who served during the year received the following emoluments in the form of fees:

	Annual fee USD	Year ended 30 June 2016 USD	Year ended 30 June 2015 USD
Steven Bates	95,000	95,000	95,000
Martin Adams	80,000	80,000	80,000
Martin Glynn*	80,000	-	32,444
Michael Gray	90,000	90,000	90,000
Thuy Bich Dam	80,000	80,000	80,000
Huw Evans**	80,000	7,671	
		352,671	377,444

^{*} Resigned 26 November 2014.

On behalf of the Board

Thuy Bich Dam

Chair Remuneration Committee 27 October 2016

^{**} Appointed 27 May 2016.

TO THE MEMBERS OF VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of VinaCapital Vietnam Opportunity Fund Limited ("the Company") which comprise the Statement of Financial Position as of 30 June 2016 and the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and with the requirements of Guernsey law. The directors are also 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 30 June 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

Report on other Legal and Regulatory Requirements

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the Report of the Directors, Investing Policy, Historical Financial Information, Financial Highlights, Chairman's Statement, Investment Manager's Report, Board of Directors, Disclosure of Directorships in Other Public Companies Listed on Recognised Stock Exchanges, Statement of Directors' Responsibilities, Report of the Audit Committee, Directors' Remuneration Report, Management and Administration and Notice of Annual General Meeting as listed on the contents page.

In our opinion the information given in the Report of the Directors is consistent with the financial statements.

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 262 of The Companies (Guernsey) Law, 2008 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We have nothing to report in respect of the following matters which we are required to review under the Listing Rules:

- the directors' statement set out on page 61 in relation to going concern. As noted in the directors' statement, the directors have concluded that it is appropriate to adopt the going concern basis in preparing the financial statements. The going concern basis presumes that the Company has adequate resources to remain in operation, and that the directors intend it to do so, for at least one year from the date the financial statements were signed. As part of our audit we have concluded that the directors' use of the going concern basis is appropriate. However, because not all future events or conditions can be predicted, these statements are not a guarantee as to the Company's ability to continue as a going concern;
- the directors' statement that they have carried out a robust assessment of the principal risks facing the
 Company and the directors' statement in relation to the longer-term viability of the Company. Our review was
 substantially less in scope than an audit and only consisted of making inquiries and considering the
 directors' process supporting their statements; checking that the statements are in alignment with the
 relevant provisions of the UK Corporate Governance Code; and considering whether the statements are
 consistent with the knowledge acquired by us in the course of performing our audit;

Report on other Legal and Regulatory Requirements (continued)

- the part of the Corporate Governance Statement relating to the Company's compliance with the ten further provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of the report to shareholders by the Board on directors' remuneration.

John Roche

For and on behalf of PricewaterhouseCoopers CI LLP Chartered Accountants and Recognised Auditor Guernsey, Channel Islands 27 October 2016

The maintenance and integrity of the Company's website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in Guernsey governing preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

FINANCIAL

STATEMENTS

	30 June 2016 30 June 2015			
	Notes	USD'000	USD'000	
ASSETS				
Cash and cash equivalents	6	1,570	906	
Receivables	9	5,077	5,079	
Financial assets at fair value through profit or loss	8	789,739	717,759	
Total assets		796,386	723,744	
CURRENT LIABILITIES				
Accrued expenses and other payables	11	9,850	5,080	
Total liabilities		9,850	5,080	
EQUITY				
Share capital	10	483,829	512,027	
Retained earnings		302,707	206,637	
Total Shareholders' equity		786,536	718,664	
Total liabilities and equity		796,386	723,744	
Net asset value, USD per share	16	3.77	3.27	

The Financial Statements were approved and signed by the Board of Directors on 27 October 2016.

Steven Bates Chairman Michael Gray
Director

The accompanying notes are an integral part of these Financial Statements.

	Note	Share capital USD'000	Revaluation reserve USD'000	Currency translation USD'000	Retained earnings USD'000	Total USD'000	Non- controlling USD'000	Total Equity USD'000
Balance at 1 July 2014 (restated)		559,371	33,281	(19,186)	205,489	778,955	849	779,804
Restatement adjustments		-	(33,281)	19,186	6,520	(7,575)	(849)	(8,424)
Balance at 1 July 2014 (restated)		559,371	_	_	212,009	771,380	_	771,380
Loss for the year		_	_	_	(5,372)	(5,372)	_	(5,372)
Total comprehensive loss		_	-	-	(5,372)	(5,372)	-	(5,372)
Transactions with owners								
Shares repurchased	10	(47,344)	_	_	_	(47,344)	_	(47,344)
Balance at 30 June 2015		512,027	-	-	206,637	718,664	-	718,664
Balance at 1 July 2015		512,027	-	_	206,637	718,664	-	718,664
Profit for the year		_	_	_	96,070	96,070	_	96,070
Total/loss comprehensive income		_	-	-	96,070	96,070	_	96,070
Transactions with owners								
Shares repurchased	10	(28,198)	_	_	-	(28,198)	_	(28,198)
Balance at 30 June 2016		483,829	-	-	302,707	786,536	-	786,536

Year ended

	Notes	30 June 2016 USD'000	30 June 2015 USD'000
Dividend income	12	51,159	69,197
Net gains/(losses) on financial assets at fair value through profit or loss	13	67,598	(57,447)
General and administration expenses	14	(23,067)	(17,504)
Other income		380	382
Operating profit/(loss)		96,070	(5,372)
Profit/(loss) before tax		96,070	(5,372)
Corporate income tax	15	_	_
Profit/(loss) for the year		96,070	(5,372)
Total comprehensive income/(loss) for the year		96,070	(5,372)
Earnings/(loss) per share			
- basic and diluted (USD per share)	16	0.45	(0.02)

All items were derived from continuing activities.

Year ended

	Notes	30 June 2016 30 USD'000	USD'000
Operating activities			
Income/(loss) before tax		96,070	(5,372)
Adjustments for:			
Dividend income		(51,159)	(69,197)
Unrealised (gain)/loss on financial assets at fair value through profit or loss	13	(67,598)	57,447
		(22,687)	(17,122)
Change in receivables		2	49
Change in accrued expenses and other payables		4,770	(5,185)
Dividend receipts		20,827	21,853
Net cash inflow/(outflow) from operating activities		2,912	(405)
Investing activities			
Purchases of financial assets at fair value through profit or loss	19	(2,248)	_
Net cash used in investing activities		(2,248)	_
Net change in cash and cash equivalents for the year		664	(405)
Cash and cash equivalents at the beginning of the year	6	906	1,311
Cash and cash equivalents at the end of the year	6	1,570	906

The Statement of Cash Flows does not include payments made by the Company's subsidiary on behalf of the Company:

Year ended

	Notes	30 June 2016 USD'000	30 June 2015 USD'000
Company share repurchases	12	28,198	47,344
Purchases of financial assets at fair value through profit or loss	12	2,134	_
		30,332	47,344

1 GENERAL INFORMATION

VinaCapital Vietnam Opportunity Fund Limited ("the Company") is a Guernsey domiciled closed-ended investment company. The Company was previously a limited liability company incorporated in the Cayman Islands. After an Extraordinary General Meeting on 27 October 2015, Shareholders approved proposals to change the Company's domicile to Guernsey. This change took place on 22 March 2016. The Company is classified as a registered closed-ended Collective Investment Scheme under the Protection of Investors (Bailiwick of Guernsey) Law 1987 and is now subject to the Companies (Guernsey) Law, 2008.

The Company's objective is to achieve medium to long-term returns through investment either in Vietnam or in companies with a substantial majority of their assets, operations, revenues or income in, or derived from, Vietnam.

The Company has a Premium Listing on the London Stock Exchange's ("LSE's") Main Market, under the ticker symbol VOF, after being previously listed on the LSE's AIM market. The change occurred on 30 March 2016 following the change of domicile described above.

The Company does not have a fixed life but the Board has determined that it is desirable that Shareholders should have the opportunity to review the future of the Company at appropriate intervals. Accordingly, the Board intends that a special resolution will be proposed every fifth year that the Company ceases to continue as presently constituted. If the resolution is not passed, the Company will continue to operate. If the resolution is passed, the Directors will be required to formulate proposals to be put to Shareholders to reorganise, unitise or reconstruct the Company or for the Company to be wound up. On 22 July 2013, the Board tabled such a special resolution but it was not passed, allowing the Company to continue as presently constituted for a further five years.

The Financial Statements for the year ended 30 June 2016 were approved for issue by the Board on 27 October 2016.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Statement of Compliance

The Financial Statements have been prepared in accordance with IFRS, which comprise standards and interpretations approved by the IASB together with applicable legal and regulatory requirements of Guernsey Law.

NOTES TO THE FINANCIAL STATEMENTS

2.1 Basis of preparation

The Financial Statements have been prepared using the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, and financial liabilities at fair value through profit or loss. The Financial Statements have been prepared on a going concern basis.

The preparation of Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires judgement to be exercised in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed in note 3.

2.2 Changes in accounting policy and disclosures

- a) Changes in accounting policy
 - The accounting policies adopted are consistent with those of the previous financial year.
- b) New standards and interpretations not yet adopted

 Certain new accounting standards and interpretations have been published that are not mandatory for
 30 June 2016 reporting periods and have not been early adopted by the Company. The Company's
 assessment of the impact of these new standards and interpretations is set out in the following page.

IFRS 9 (effective 1 January 2018), 'Financial instruments', addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In July 2014, the IASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard. The Company is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting year ending 30 June 2019.

2.2 Changes in accounting policy and disclosures (continued)

- c) Amendments to existing standards effective for accounting periods beginning 1 January 2016
- (i) Amendments made to IFRS 10, 'Consolidated Financial Statements' and IAS 28, 'Investments in associates and joint ventures' clarify that:
 - The exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities.
 - An investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity's investment activities.
 - Entities which are not investment entities but have an interest in an associate or joint venture which is
 an investment entity have a policy choice when applying the equity method of accounting. The fair
 value measurement applied by the investment entity associate or joint venture can either be retained or
 consolidation may be performed at the level of the associate or joint venture, which would then unwind
 the fair value measurement.

Early adoption is permitted. The Company did not early adopt the above amendments to IFRS 10 and IAS 28 but it was assessed that these will not have a material impact to the Company as all of the Company's investments are fair market valued.

(ii) Disclosure Initiative – Amendments to IAS 1, 'Presentation of Financial Statements'

As the amendments to IAS 1 clarify the existing requirements, they do not affect the Company's accounting policies or any of the disclosures provided.

There are certain other current standards, amendments and interpretations that are not relevant to the Company's operations.

2.3 Subsidiaries and associates

The Company meets the definition of an Investment Entity within IFRS 10 and therefore does not consolidate its subsidiaries but measures them instead at fair value through profit or loss.

Any gain or loss arising from a change in the fair value of investments in subsidiaries and associates is recognised in the Statement of Comprehensive Income.

Refer to note 3 on further disclosure on accounting for subsidiaries and associates.

2.4 Foreign currency translation

a) Functional and presentation currency

The functional currency of the Company is the United States dollar ("USD"). The Company's Financial Statements are presented in USD.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction. Non-monetary items measured at fair value are translated using the exchange rates at the date when the fair value was determined.

2.5 Financial assets

2.5.1 Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or are designated to be carried at fair value through profit or loss at inception. Financial assets at fair value through profit or loss held by the Company comprise listed and unlisted securities, investments in subsidiaries and associates and bonds.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's loans and receivables comprise "Receivables" in the Statement of Financial Position.

2.5 Financial assets (continued)

2.5.2 Initial measurement, recognition, de-recognition and measurement

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Purchases or sales of financial assets are recognised on the date on which the Company commits to purchase or sell the asset.

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Comprehensive Income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method less provision for impairment.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the Statement of Comprehensive Income within "net gains/(losses) on financial assets at fair value through profit or loss" in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the Statement of Comprehensive Income when the Company's right to receive payments is established.

2.6 Impairment of assets

Impairment of financial assets at amortised cost

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset is impaired. A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

Evidence of impairment may include indications that the debtor is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2.6 Impairment of assets (continued)

Impairment of financial assets at amortised cost (continued)

For the loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in Statement of Comprehensive Income. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the Statement of Comprehensive Income.

2.7 Cash and cash equivalents

In the Statement of Cash Flows, cash and cash equivalents includes deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the Statement of Financial Position, bank overdrafts are shown within borrowings in current liabilities.

2.8 Share capital

Ordinary shares are classified as equity. Share capital includes the nominal value of ordinary shares that have been issued and any premiums received on the initial issuance of shares. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where the Company purchases its equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders.

Where such treasury shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

2.9 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.10 Revenue recognition

The Company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company's activities, as described below.

Dividend income

Dividend income is recognised when the right to receive payment is established.

2.11 Operating expenses

Operating expenses are accounted for on an accrual basis.

2.12 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Enterprises and individuals that directly, or indirectly through one or more intermediary, control, or are controlled by, or under common control with, the Company, including, subsidiaries and fellow subsidiaries are related parties of the Company. Associates are individuals owning directly, or indirectly, an interest in the voting power of the Company that gives them significant influence over the entity, key management personnel, including directors and officers of the Company, the Investment Manager and their close family members. In considering related party relationships, attention is directed to the substance of the relationship, and not merely the legal form.

2.13 Segment reporting

In identifying its operating segments, management follows the subsidiaries' sectors of investment which are based on internal management reporting information. The operating segments by investment portfolio include: capital markets, real estate projects and operating assets, private equity and cash (including cash and cash equivalents, bonds, and short-term deposits).

Each of the operating segments are managed and monitored individually by the Investment Manager as each requires different resources and approaches. The Investment Manager assesses segment profit or loss using a measure of operating profit or loss from the underlying investment assets of the subsidiaries. Expenses and liabilities which are common to all segments are allocated based on each segment's share of total assets.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

3.1 Eligibility to qualify as an investment entity

The Company has determined that it is an investment entity under the definition of IFRS 10 as it meets the following criteria:

- a) The Company has obtained funds from investors for the purpose of providing those investors with investment management services;
- b) The Company's business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- c) The performance of investments made by the Company are substantially measured and evaluated on a fair value basis.

The Company has the typical characteristics of an investment entity:

- it holds more than one investment;
- it has more than one investor;
- it has investors that are not its related parties; and
- it has ownership interests in the form of equity or similar interests.

As a consequence, the Company does not consolidate its subsidiaries and accounts for them at fair value through profit or loss.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

3.2 Fair value of subsidiaries and associates and their underlying investments

At the end of each half of the financial year, the fair values of investments in subsidiaries and associates are reviewed and the fair values of all material investments held by these subsidiaries and associates are assessed. The fair values of real estate and private equity investments are estimated by a qualified independent professional services firm (the "independent valuer"). The valuations by the independent valuer are prepared using a number of approaches such as adjusted net asset valuations, discounted cash flows, income-related multiples and price-to-book ratio.

In cases where the underlying investments of a subsidiary or associate are real estate projects or hotels, the independent valuer determines their fair value based on valuations provided by specialised independent professional appraisers ("specialised appraisers"). These valuations are used by the independent valuer as the primary basis for estimating each subsidiary's or associate's fair value.

As at 30 June 2016, 100% (30 June 2015: 100%) of the financial assets at fair value through profit and loss relate to the Company's investments in subsidiaries and associates that have been fair valued in accordance with the policies set out above. The Company has investments in a number of subsidiaries and associates which were established to hold underlying investments. The shares of the subsidiaries and associates are not publicly traded; return of capital to the Company can only be made by divesting the underlying investments of the subsidiaries and associates. As a result, the carrying value of the subsidiaries and associates may not be indicative of the value ultimately realised on divestment.

The underlying investments include listed and unlisted securities, private equity and real estate assets. Where an active market exists (for example, for listed securities), the fair value of the subsidiary or associate reflects the valuation of the underlying holdings. Where no active market exists, valuation techniques are used.

As at 30 June 2016 and 30 June 2015, the Company classified its investments in subsidiaries and associates as Level 3 within the fair value hierarchy, because they are not publicly traded, even when the underlying assets may be readily realisable.

The estimated fair values provided by the independent valuer are used by the Audit Committee as the primary basis for estimating the fair value of real estate and private equity investments for recommendation to the Board. Information about the significant judgements, estimates and assumptions that are used in the valuation of these investments is discussed below.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

3.2 Fair value of subsidiaries and associates and their underlying investments (continued)

(a) Valuation of assets that are traded in an active market

The fair values of listed securities are based on quoted market prices at the close of trading on the reporting date. For unlisted securities which are traded in an active market, fair value is the average quoted price at the close of trading obtained from a minimum sample of three reputable securities companies at the reporting date. Other relevant measurement bases are used if broker quotes are not available or if better and more reliable information is available.

(b) Valuation of assets that are not traded in an active market

The fair value of assets that are not traded in an active market (for example, private equities and real estate where market prices are not readily available) is determined by using valuation techniques. The independent valuer uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The valuations may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

(b.1) Valuation of investments in private equities

The Company's underlying investments in private equities are fair valued using discounted cash flow and market comparison methods. The projected future cash flows are driven by management's business strategies and goals and its assumptions of growth in gross domestic product ("GDP"), market demand, inflation, etc. The independent valuer selects appropriate discount rates that reflect the uncertainty of the quantum and timing of the cash flows.

(b.2) Valuation of real estate and hospitality investments

A number of the Company's real estate investments are held in joint ventures with VinaLand Limited ("VinaLand"), another company managed by the Investment Manager. In all cases, VinaLand holds a controlling stake in the joint ventures and therefore exercises control over the investments. As both companies are managed by the same Investment Manager, each company's investment objectives for each property have generally been the same.

The fair values of underlying real estate properties are based on valuations by specialised appraisers. These valuations are based on certain assumptions which are subject to uncertainty and might result in valuations which differ materially from the actual results of a sale. The estimated fair values provided by the specialist appraisers are used by the independent valuer as the primary basis for estimating fair value of the Company's subsidiaries and associates that hold these properties in accordance with accounting policies set out in note 2.3.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

- 3.2 Fair value of subsidiaries and associates and their underlying investments (continued)
 - (b) Valuation of assets that are not traded in an active market (continued)
 - (b.2) Valuation of real estate and hospitality investments (continued)
 In conjunction with making its judgement for the fair value of the Company's underlying real estate and hospitality investments, the independent valuer also considers information from a variety of other sources including:
 - a. current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
 - recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices;
 - c. recent developments and changes in laws and regulations that might affect zoning and/or the Company's ability to exercise its rights in respect to properties and therefore fully realise the estimated values of such properties;
 - d. discounted cash flow projections based on estimates of future cash flows, derived from the terms of external evidence such as current market rents, occupancy and room rates, and sales prices for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows; and
 - e. recent compensation prices made public by the local authority in the province where the property is located.

4 SEGMENT ANALYSIS

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

Segment information can be analysed as follows:

Statement of Comprehensive Income

P		Real estate		
	Capital markets* USD'000	and hospitality USD'000	Private equity USD'000	Total USD'000
Year ended 30 June 2016				
Dividend income	51,159	_	_	51,159
Net gains/(losses) on financial assets at fair value through profit or loss	55,655	17,688	(5,745)	67,598
General and administration expenses (note 14)	(19,010)	(2,649)	(1,408)	(23,067)
Other income	380	_	_	380
Profit/(loss) before tax	88,184	15,039	(7,153)	96,070
Year ended 30 June 2015				
Dividend income	69,197	_	-	69,197
Net (losses)/gains on financial assets				
at fair value through profit or loss	(62,114)	(1,280)	5,947	(57,447)
General and administration expenses (note 14)	(13,698)	(2,999)	(807)	(17,504)
Other income	382	-	-	382
(Loss)/profit before tax	(6,233)	(4,279)	5,140	(5,372)

^{*} Capital markets include listed as well as unlisted over-the-counter securities.

4 SEGMENT ANALYSIS (continued)

Statement of Financial Position

		Real estate			
	Capital markets* USD'000	and hospitality USD'000	Private equity USD'000	Other net assets** USD'000	Total USD'000
As at 30 June 2016					
Cash and cash equivalents	_	_	_	1,570	1,570
Receivables	_	_	_	5,077	5,077
Financial assets at fair value through profit or loss	482,746	137,268	72,952	96,773	789,739
Total assets	482,746	137,268	72,952	103,420	796,386
Accrued expenses and Other payables	_	_	_	9,850	9,850
Total liabilities	_	_	-	9,850	9,850
Net asset value	482,746	137,268	72,952	93,570	786,536

^{*} Capital markets include listed as well as unlisted over-the-counter securities.

4 SEGMENT ANALYSIS (continued)

	Capital markets* USD'000	Real estate and hospitality USD'000	Private equity USD'000	Other net assets** USD'000	Total USD'000
As at 30 June 2015					
Cash and cash equivalents	-	_	_	906	906
Receivables	_	_	_	5,079	5,079
Financial assets at fair value through profit or loss	465,028	173,968	51,256	27,507	717,759
Total assets	465,028	173,968	51,256	33,492	723,744
Accrued expenses and other payables	_	_	_	5,080	5,080
Total liabilities	_	-	-	5,080	5,080
Net asset value	465,028	173,968	51,256	28,412	718,664

^{*} Capital markets include listed as well as unlisted over-the-counter securities.

^{**} Other net assets of USD96.8 million (30 June 2015: USD27.5 million) comprise cash and cash equivalents and other net assets of the direct subsidiaries at fair value.

5 INTERESTS IN SUBSIDIARIES AND ASSOCIATES

5.1 Directly-owned subsidiaries

The Company had the following directly-owned subsidiaries as at 30 June 2016 and 30 June 2015:

	Country of	30 June 2016 % of Company	30 June 2015 % of Company	
Subsidiary	incorporation	interest	interest	Nature of the business
Vietnam Investment Property Holding Limited	British Virgin Islands ("BVI")	100.00	100.00	Holding company for listed, unlisted securities and real estate
Vietnam Investment Property Limited	BVI	100.00	100.00	Holding company for listed, and unlisted securities
Vietnam Ventures Limited	BVI	100.00	100.00	Holding company for listed, unlisted securities and real estate
Vietnam Investments Limited	BVI	100.00	100.00	Holding company for listed, unlisted securities and real estate
Asia Value Investment Limited	BVI	100.00	100.00	Holding company for listed, and unlisted securities
Vietnam Master Holding 2 Limited	BVI	100.00	100.00	Holding company for listed securities
VOF Investment Limited	BVI	100.00	100.00	Holding company for listed, unlisted securities, real estate, hospitality and private equity
VOF PE Holding 5 Limited	BVI	100.00	100.00	Holding company for listed securities
Visaka Holdings Limited	BVI	100.00	100.00	Holding company for treasury shares
Portal Global Limited	BVI	100.00	100.00	Holding company for listed securities and unlisted securities
Windstar Resources Limited	BVI	100.00	100.00	Holding company for listed securities
Allright Assets Limited	BVI	100.00	100.00	Holding company for real estate
Vietnam Enterprise Limited	BVI	100.00	100.00	Holding company for listed, unlisted securities and real estate
Vina QSR Limited	BVI	100.00	100.00	Holding company for investments
VOF PE Holding 3 Limited	BVI	100.00	100.00	Holding company for investments
Vinaland Heritage Limited	BVI	100.00	100.00	Holding company for investments
Sharda Holdings Limited	BVI	100.00	100.00	Holding company for investments
Hospira Holdings Limited	BVI	100.00	100.00	Holding company for investments
Navia Holdings Limited	BVI	100.00	100.00	Holding company for investments

5 INTERESTS IN SUBSIDIARIES AND ASSOCIATES (continued)

5.1 Directly-owned subsidiaries (continued)

		As	at	
		30 June 2016 % of	30 June 2015 % of	
Subsidiary	Country of incorporation	Company interest	Company interest	Nature of the business
Orkay Holdings Limited	BVI	100.00	100.00	Holding company for investments
Halico Investment Holding Limited	BVI	100.00	100.00	Holding company for investments
Clear Interest Group Limited	BVI	100.00	100.00	Holding company for investments
Foremost Worldwide Limited	BVI	100.00	100.00	Holding company for unlisted securities
Rewas Holdings Limited	BVI	100.00	100.00	Holding company for investments
Allwealth Worldwide Limited	BVI	100.00	100.00	Holding company for private equity
Nomino Holdings Limited	BVI	100.00	100.00	Holding company for investments
Vina Sugar Holdings Limited	BVI	100.00	100.00	Holding company for investments
Belfort Worldwide Limited	BVI	100.00	100.00	Holding company for investments
Preston Pacific Limited	BVI	100.00	100.00	Holding company for investments
Vietnam Opportunity Fund II Pte. Ltd.	BVI	100.00	100.00	Holding company for investments
Liva Holdings Ltd.	BVI	100.00	100.00	Holding company for investments
Allright Assets Limited	Singapore	100.00	100.00	Holding company for real estate
Turnbull Holding Pte. Ltd.	Singapore	100.00	_	Holding company for investments
Menzies Holding Pte. Ltd.	Singapore	100.00	_	Holding company for investments
Fraser Investment Pte. Limited	Singapore	100.00	100.00	Holding company for listed securities
SE Asia Master Holding 7 Pte. Limited	Singapore	100.00	100.00	Holding company for private equity
VTC Espero Pte. Limited	Singapore	100.00	100.00	Holding company for real estate
Hawke Investments Pte. Limited	Singapore	100.00	100.00	Holding company for unlisted securities

There is no legal restriction to the transfer of funds from the BVI or Singapore subsidiaries to the Company. Cash held in directly-owned as well as indirectly-owned Vietnamese subsidiaries and associates is subject to restrictions imposed by co-investors and the Vietnamese government and therefore it cannot be transferred out of Vietnam unless such restrictions are satisfied.

The Company's underlying investments in real estate projects jointly invested with VinaLand have commitments under investment agreements to acquire and develop, or make additional investments in investment properties and leasehold land in Vietnam.

As at

5 INTERESTS IN SUBSIDIARIES AND ASSOCIATES (continued)

5.2 Indirect interests in subsidiaries

The Company had the following indirect interests in subsidiaries at 30 June 2016 and 30 June 2015:

Indirect subsidiary	Country of incorporation	Nature of business	Immediate Parent	0 June 2016 % of Company's indirect interest	30 June 2015 % of Company's indirect interest
Longwoods Worldwide Limited	BVI	Holding company for listed and unlisted investments	Nomino Holdings Limited	100.00	100.00
Victory Holding Investment Limited	BVI	Holding company for listed and unlisted investments	Rewas Holdings Limited	100.00	100.00
DTL Education Holding Ltd.	BVI	Holding company for investments	Clear Interest Group Limited	100.00	100.00
Transwell Enterprises Limited	BVI	Holding company for unlisted securities	Orkay Holdings Limited	100.00	100.00
Vietnam Hospitality Ltd.	BVI	Holding company for real estate	VOF Investment Limited	100.00	100.00
PA Investment Opportunity II Limited	BVI	Holding company for investments	Vietnam Enterprise Limited	100.00	100.00
Pegasus Leisure Ltd.	BVI	Holding company for investments	Vietnam Investments Limited	100.00	100.00
Howard Holding Pte. Limited	Singapore	Holding company for private equity	Allwealth Worldwide Limited	80.56	80.56
Abbott Holding Pte. Limited	Singapore	Holding company for private equity	Hospira Holdings Limited	100.00	_
Whitlam Holding Pte. Limited	Singapore	Holding company for private equity	Navia Holdings Limited	61.26	_
Indochina Building Supplies Pte. Ltd.	Singapore	Holding company for private equity	VOF Investment Limited	100.00	100.00
Yen Viet Joint Stock Company	Vietnam	Food & Beverage products	SE Asia Master Holding 7 Lir	nited 65.00	65.00
BIVI Cooporation	Vietnam	Real estate investment	VOF Investment Limited	100.00	100.00

5 INTERESTS IN SUBSIDIARIES AND ASSOCIATES (continued)

5.3 Direct interests in associates

The Company had the following directly-owned associates as at 30 June 2016 and 30 June 2015:

	As at				
		30 June 2016	30 June 2015		
		% of	% of		
	Country of	Company	Company		
Associate	incorporation	interest	interest	Nature of the business	
Allwealth Asia Ltd.	BVI	35.00	35.00	Holding company for real estate	
Sunbird Group Ltd.	BVI	25.00	25.00	Holding company for real estate	
Perimeter Investment Limited	BVI	25.00	25.00	Holding company for real estate	
Daybreak Overseas Limited	BVI	25.00	25.00	Holding company for real estate	
Central Lion International	BVI	25.00	25.00	Holding company for real estate	
Bantam Investments Limited	BVI	25.00	25.00	Holding company for real estate	
Vietnam Property Holdings Limited	BVI	25.00	25.00	Holding company for real estate	
Prosper Big Investment Limited	BVI	25.00	25.00	Holding company for real estate	
Avante Global Limited	BVI	25.00	25.00	Holding company for real estate	
VinaLand Eastern Limited	Singapore	25.00	25.00	Holding company for real estate	
Pacific Alliance Land Limited	BVI	25.00	25.00	Holding company for real estate	
VinaCapital Danang Resorts Limited	BVI	25.00	25.00	Holding company for real estate	
VinaCapital Commercial Center Private Limited	Singapore	12.75	12.75	Holding company for real estate	
Mega Assets Pte. Limited	Singapore	25.00	25.00	Holding company for real estate	
SIH Real Estate Pte. Limited	Singapore	25.00	25.00	Holding company for real estate	

As at

5 INTERESTS IN SUBSIDIARIES AND ASSOCIATES (continued)

5.4 Indirect interests in associates

The Company had the following indirect interests in associates at 30 June 2016 and 30 June 2015:

Indirect associate	Country of incorporation	Nature of the business	Company's subsidiary holding direct interest in the associate	30 June 2016 % of Company's indirect interest	30 June 2015 % of Company's indirect interest
Phong Phu Investment and Development	Vietnam	Real estate investment	Vietnam Ventures Limited	30.00	30.00
Saigon Golf JSC	Vietnam	Real estate investment	Vietnam Ventures Limited	20.00	20.00
Avila Co. Ltd.	Vietnam	Real estate investment	Vietnam Investment Property Holdings Limited	/ 16.18	16.18
Vina Dai Phuoc Corporation	Vietnam	Real estate investment	Allright Assets Limited	18.00	18.00
Vinh Thai Urban Development Corporation	Vietnam	Real estate investment	VTC Espero Limited	17.75	17.75
Thang Loi Textile Garment JSC	Vietnam	Real estate investment	VOF Investment Limited	34.00	34.00
Hung Vuong Corporation	Vietnam	Real estate investment	VOF Investment Limited	33.00	33.00

The Company's indirect interests of less than 20% in associates at year-end are co-investments with VinaLand. The Company considers these interests as indirect associates because, as part of the co-investment strategy, the Company can exert significant influence on these entities.

5.5 Financial risks

The Company owns a number of subsidiaries and associates for the purpose of holding investments in listed and unlisted securities, debt instruments, private equity and real estate. The Company, via these underlying investments, is subject to financial risks which are further disclosed in note 19. The Investment Manager makes investment decisions after performing extensive due diligence on the underlying investments, their strategies, financial structure and the overall quality of management.

Financial

6 CASH AND CASH EQUIVALENTS

	30 June 2016 USD'000	30 June 2015 USD'000
Cash at banks	1,570	906

As at the Statement of Financial Position date, cash and cash equivalents were denominated in USD.

The Company's overall cash position including cash held in directly held subsidiaries is USD57.0 million (30 June 2015: USD23.7 million). Please refer to note 8 for details of the cash held by the Company's subsidiaries.

7 FINANCIAL INSTRUMENTS BY CATEGORY

Loans and receivables USD'000	assets at fair value through profit or loss USD'000	Total USD'000
		_
1,570	_	1,570
5,077	_	5,077
_	789,739	789,739
6,647	789,739	796,386
6,647	789,739	796,386
906	_	906
5,079	_	5,079
_	717,759	717,759
5,985	717,759	723,744
5,985	717.759	723,744
	1,570 5,077 - 6,647 906 5,079	Loans and receivables USD'000 1,570 - 5,077 - 789,739 6,647 789,739 6,647 789,739 906 - 5,079 - 717,759 5,985 717,759

All financial liabilities are short term in nature and their carrying values approximate their fair values. There are no financial liabilities that must be accounted for at fair value through profit or loss (30 June 2015: nil).

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit and loss comprise the Company's investments in subsidiaries and associates. The underlying assets and liabilities of the direct subsidiaries and associates at fair value are disclosed in the following table.

	30 June 2016 USD'000	30 June 2015 USD'000
Cash and cash equivalents	55,430	22,752
Ordinary shares – listed	400,005	401,218
Ordinary shares – unlisted and over-the-counter ("OTC")	82,741	63,810
Private equity	72,952	51,256
Real estate projects and operating assets	137,268	173,968
Other assets, net of liabilities	41,343	4,755
	789,739	717,759

The major underlying investments held by the direct subsidiaries of the Company were in the following industry sectors.

	30 June 2016 USD'000	30 June 2015 USD'000
Consumer goods	235,142	175,391
Construction	97,961	94,341
Financial services	38,054	52,991
Agriculture	24,681	22,056
Energy, minerals and petroleum	41,531	58,153
Pharmaceuticals	9,023	21,356
Real estate projects and operating assets	219,862	257,491
Infrastructure	26,711	5,860

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

As at 30 June 2016, an underlying holding, Vietnam Dairy Products Joint Stock Company, within financial assets at fair value through profit or loss amounted to 14.7% of the net asset value of the Company (30 June 2015: 11%). There were no other holdings that had a value exceeding 10% of the net asset value of the Company as at 30 June 2016 or 30 June 2015.

9 RECEIVABLES

	30 June 2016 USD'000	30 June 2015 USD'000
Receivables from the Investment Manager on management fees rebate	380	382
Cash held in escrow account	4,697	4,697
	5,077	5,079

Cash held in escrow account represents a deposit in United Overseas Bank Ltd that was retained from the sale of the Company's underlying investment, Prime Group Joint Stock Company, held through a previously owned Singaporean subsidiary, in 2012. The retention balance serves as partial security for the Company's liability arising from the Company's Tax Assessment obligations. The escrow account is due to be released to the Company on 1 January 2017.

10 SHARE CAPITAL

The Company may issue an unlimited number of Shares, including shares of no par value or shares with a par value. Shares may be issued as (a) Shares in such currencies as the Directors may determine; and/or (b) such other classes of shares in such currencies as the Directors may determine in accordance with the Articles and the Companies Law and the price per Share at which shares of each class shall first be offered to subscribers shall be fixed by the Board. The minimum price which may be paid for a share is USD0.01. The Directors will act in the best interest of the Company and the Shareholders when authorising the issue of any shares.

10 SHARE CAPITAL (continued) Issued capital

	30 June 2016		30 June	2015	
	Number of shares	USD'000	Number of shares	USD'000	
Issued and fully paid at 1 July	324,610,259	725,310	324,610,259	725,310	
Cancellation of treasury shares	(113,264,001)	(234,009)	_	-	
Issued and fully paid at 30 June	211,346,258	491,301	324,610,259	725,310	
Shares held in treasury	(2,700,000)	(7,472)	(104,652,647)	(213,283)	
Outstanding shares at 30 June	208,646,258	483,829	219,957,612	512,027	

Treasury shares

	30 June 2016		30 June	e 2015
	Number of shares	USD'000	Number of shares	USD'000
Opening balance at 1 July	104,652,647	213,283	86,355,265	165,939
Shares repurchased during the year (note 12)	11,311,354	28,198	18,297,382	47,344
Shares cancelled during the year	(113,264,001)	(234,009)	_	
Closing balance at 30 June	2,700,000	7,472	104,652,647	213,283

In October 2011, the Board sought and obtained shareholder approval to implement a share buyback programme. By 30 June 2016, a total of 115,964,001 shares had been bought back, a return of capital to Shareholders of approximately USD241.5 million.

During the year, 113,264,001 shares held in treasury were cancelled. The cancellation of treasury shares did not result in a change in the Company's NAV per share.

11 ACCRUED EXPENSES AND OTHER PAYABLES

	30 June 2016 USD'000	30 June 2015 USD'000
Management fees payable to the Investment Manager (note 17)	993	938
Incentive fees payable to the Investment Manager (note 17)	8,241	3,672
Payables to other related parties	304	426
Other payables	312	44
	9,850	5,080

All accrued expenses and other payables are short-term in nature. Therefore, their carrying values are considered a reasonable approximation of their fair values.

12 DIVIDEND INCOME

	30 June 2016 USD'000	30 June 2015 USD'000
Dividend income from a subsidiary used to pay for the Company's share repurchases*	28,198	47,344
Dividend income from a subsidiary used to pay for the Company's operating expenses	20,827	21,853
Dividend income from a subsidiary used to pay for the purchases of financial assets at fair value through profit or loss	2,134	_
	51,159	69,197

^{*} During the year, the Company purchased 11,311,354 of its ordinary shares (year ended 30 June 2015: 18,297,382 shares) for total cash consideration of USD28.2 million (year ended 30 June 2015: USD47.3 million). Until 29 April 2016, all share buy backs were carried out under the name of Visaka Holdings Limited, a wholly-owned subsidiary. From 29 April 2016, all share buy backs are carried out under the name of the Company. The payments for the share buy backs were made by VOF Investment Limited ("VOFIL"), a wholly-owned subsidiary of the Company. All purchases had been fully settled by the Statement of Financial Position dates.

13 NET GAINS/(LOSSES) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2016 USD'000	30 June 2015 USD'000
Financial assets at fair value through profit or loss:		
- Unrealised gains/(losses), net	67,598	(57,447)
Total	67,598	(57,447)

14 GENERAL AND ADMINISTRATION EXPENSES

	30 June 2016 USD'000	30 June 2015 USD'000
Management fees (note 17(a))	10,708	11,395
Incentive fees capital market portfolio pool (*)	8,241	3,672
Directors' fees	353	377
Custodian, secretarial and other professional fees	2,452	1,508
Others	1,313	552
	23,067	17,504

^(*) The structure of the incentive fee is set out in note 17(b). As at 30 June 2016, the Company accrued an incentive fee of USD8.2 million (30 June 2015: USD3.7 million) based on the Company's performance during the year.

15 INCOME TAX EXPENSE

The Company was incorporated in the Cayman Islands until 22 March 2016 when it changed its domicile to Guernsey. Under the laws of the Cayman Islands, there are no income, state, corporation, capital gains or other taxes payable by the Company.

The Company has been granted Guernsey tax exempt status in accordance with The Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 (as amended).

A number of subsidiaries are established in Vietnam and Singapore and are subject to corporate income tax in those countries. The income tax payable by these subsidiaries is taken into account in determining their fair values in the Statement of Financial Position.

16 EARNINGS/(LOSS) PER SHARE AND NET ASSET VALUE PER SHARE

(a) Basic

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) from operations of the Company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the Company and held as treasury shares (note 10).

	30 June 2016	30 June 2015
Profit/(loss) for the year (USD'000)	96,070	(5,372)
Weighted average number of ordinary shares in issue	214,238,617	228,742,512
Basic earnings/(loss) per share (USD per share)	0.45	(0.02)

(b) Diluted

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has no category of potentially dilutive ordinary shares. Therefore, diluted earnings/(loss) per share is equal to basic earnings/(loss) per share.

(c) Net asset value per share

Net Asset Value ("NAV") per share is calculated by dividing the net asset value of the Company by the number of outstanding ordinary shares in issue as at the reporting date excluding ordinary shares purchased by the Company and held as treasury shares (note 10). NAV is determined as total assets less total liabilities.

	30 June 2016	30 June 2015
Net asset value (USD'000)	786,536	718,664
Number of outstanding ordinary shares in issue	208,646,258	19,957,612
Net asset value per share (USD per share)	3.77	3.27

17 RELATED PARTIES

Investment Manager's Fees

(a) Management fees

Under the Second Amended IMA dated 15 October 2014, the Investment Manager receives a fee at an annual rate of 1.5% of the NAV, payable monthly in arrears.

Total management fees for the year amounted to USD10.7 million (30 June 2015: USD11.4 million), with USD1.0 million (30 June 2015: USD0.9 million) in outstanding accrued fees due to the Investment Manager at the reporting date.

(b) Incentive fees

Under the Second Amended IMA, from 1 July 2013, the incentive fee was changed to be 15% of the increase in NAV per share over a hurdle rate of 8% per annum. A catch up is no longer applied. Furthermore, for the purposes of calculating incentive fees, the Company's net assets are segregated into a Direct Real Estate Portfolio and a Capital Markets Portfolio. A separate incentive fee is calculated for each portfolio so that for any statement of financial position date it will be possible for an incentive fee to become payable in relation to one, both, or neither, portfolio depending upon the performance of each portfolio. However, the maximum incentive fee that can be paid in any given year in respect to a portfolio is 1.5% of the weighted average NAV of that portfolio over the period for which the incentive fee is calculated. Any incentive fees earned in excess of the cap may be paid out in subsequent years providing that certain performance targets are met.

Total incentive fees for the year amounted to USD8.2 million (30 June 2015: USD3.7 million), with USD8.2 million (30 June 2015: USD3.7 million) in outstanding accrued fees due to the Investment Manager at the reporting date.

As disclosed in note 21, the IMA was amended on 27 October 2016 which clarified the calculation of incentive fees. The clarification did not result in adjustments on the incentive fees expensed as of and for the year ended 30 June 2016.

17 RELATED PARTIES (continued)

Directors' Remuneration

The Directors who served during the year received the following emoluments in the form of fees:

	Annual fee USD	Year ended 30 June 2016 USD	Year ended 30 June 2015 USD
Steven Bates	95,000	95,000	95,000
Martin Adams	80,000	80,000	80,000
Martin Glynn*	80,000	_	32,444
Michael Gray	90,000	90,000	90,000
Thuy Bich Dam	80,000	80,000	80,000
Huw Evans**	80,000	7,671	_
		352,671	377,444

^{*} Resigned 26 November 2014.

No Directors' fees were outstanding at the year-end (30 June 2015: Nil).

(c) Other balances with related parties

	30 June 2016 USD'000	30 June 2015 USD'000
Receivables from the Investment Manager on management fees rebate	380	382
Payables to the Investment Manager on expenses paid on behalf of the Company	205	427
Certain underlying investments jointly managed by the Investment Manager		
- Vietnam Infrastructure Limited	2,290	5,860
- VinaLand Limited	21,005	18,698
	23,295	24,558

^{**} Appointed 27 May 2016.

17 RELATED PARTIES (continued)

(d) Cost of treasury shares paid for by subsidiaries on behalf of the Company
As disclosed in note 12, the cost of treasury shares purchased during the year of USD28.2 million (30 June 2015: USD47.3 million) were paid by the Company's subsidiary.

18 COMMITMENTS

The Company's indirect real estate associates have a broad range of commitments under investment licences which they have received for real estate projects jointly invested with VinaLand and other agreements they have entered into, to acquire and develop, or make additional investments in investment properties and leasehold land in Vietnam. Further investments in many of these arrangements are at the Company's discretion.

19 FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

The Company has set up a number of subsidiaries and associates for the purpose of holding investments in listed and unlisted securities, debt instruments, private equity and real estate in Vietnam and overseas with the objective of achieving medium to long-term capital appreciation and providing investment income. The Company accounts for these subsidiaries as financial assets at fair value through profit or loss.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potentially adverse effects on the Company's financial performance. The Company's risk management is coordinated by the Investment Manager which manages the distribution of the assets to achieve the investment objectives.

There have been no significant changes in the management of risk or in any risk management policies since 30 June 2015.

The Company is subject to a variety of financial risks: market risk, credit risk and liquidity risk.

(i) Market risk

Market risk comprises price risk, foreign exchange risk and interest rate risk. Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, interest rates and/or foreign exchange rates.

19 FINANCIAL RISK MANAGEMENT (continued)

- (a) Financial risk factors (continued)
- (i) Market risk (continued)

Price risk

Price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer, or factors affecting all instruments traded in the market.

The Company has made and will make investments in, and receives income in USD. Therefore, the Company's risk exposure mostly relates to price risk on the measurement and evaluation of subsidiaries' performances on a fair value basis.

The direct investments are subject to market fluctuations and the risk inherent in the purchase, holding or selling of investments and there can be no assurance that appreciation or maintenance in the value of those investments will occur.

The Company's subsidiaries and associates invest in listed and unlisted equity securities and are exposed to market price risk of these securities.

The majority of the underlying equity investments are publicly traded on either of Vietnam's stock exchanges (HOSE or HNX).

All securities investments present a risk of loss of capital. This risk is managed through the careful selection of securities and other financial instruments within specified limits and by holding a diversified portfolio of listed and unlisted instruments. In addition, the performance of investments held by the Company's subsidiaries is monitored by the Investment Manager on a monthly basis and reviewed by the Board of Directors on a quarterly basis.

Market price sensitivity analysis

If the prices of the listed securities had increased/decreased by 10%, the Company's financial assets held at fair value through profit or loss would have been higher/lower by USD40.0 million (30 June 2015: USD40.1 million).

The Company's associates invest in a number of real estate projects. The fair values of the underlying properties have a direct impact on the fair values of these investments in associates. The Investment Manager closely monitors indicators that may affect property valuations. The Board of Directors reviews these valuations every half year.

- (a) Financial risk factors (continued)
- (i) Market risk (continued)

Market price sensitivity analysis (continued)

If the fair values of real estate properties had gone up/down by 10%, the Company's financial assets at fair value through profit and loss would have risen/dropped by USD13.7 million (30 June 2015: USD10.7 million).

Depending on the development stage of a business and its associated risks, the independent valuer uses discount rates in the range from 17% to 21% and terminal growth rates of 3% to 5% (30 June 2015: 25% to 30% and 5% to 6%, respectively).

As at 30 June 2016, discount rates ranged from 15% to 19% (30 June 2015: 15% to 21.5%). As at the year end, if the discount rates had been higher/lower, the fair value of the Company's underlying real estate and hospitality investments would have been decreased/increased.

The average occupancy and room rates used in the discounted cash flow projections for the Company's hospitality investments are in line with current rates and historical experience. As at 30 June 2016, if the occupancy and room rates had been higher/lower, the fair value of the Company's underlying hospitality investments would have risen/gone down.

Foreign exchange risk

The Company makes investments in USD and receives income and proceeds from sales in USD. As such, at the Company level, there is minimal foreign exchange risk. Nevertheless, investments are made in Group entities which are often exposed to the Vietnamese Dong ("VND"), and these Group entities are therefore sensitive to the exchange rate of the VND against USD. On a 'look-through' basis, therefore, the Company is exposed to movements in the exchange rate of the VND against the USD.

Interest rate risk

The Company's exposure to interest rate risk is limited as its cash balance at year-end is minimal. In addition, the Company does not have interest-bearing loans receivables or payables.

(ii) Credit risk

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

The Company's maximum credit exposure without taking into account any collateral held, is limited to the carrying amount of cash and receivables at year end.

- (a) Financial risk factors (continued)
- (ii) Credit risk (continued)
- a) Financial assets that are neither past due nor impaired

With the exception of the receivables disclosed in note 19 (ii)(b), the Company's cash and receivables as at 30 June 2016 and 2015 are neither past due nor impaired. Cash and majority of receivables that are neither past due nor impaired are held with banks with high quality external credit ratings. Credit risk for cash and receivables is considered to be limited.

b) Financial assets that are past due and impaired

At 30 June 2016 and 2015, USD11.6 million of receivables relating to the sale of a direct investment were fully impaired. In determining the impairment, management has made judgements as to whether there is observable data available indicating that there has been a significant change to the debtor's ability to pay. Management is also investigating the collateral against which the loans may be secured and whether mechanisms exist to recover value from the collateral.

(iii) Liquidity risk

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

Listed securities held by the Company's subsidiaries are considered readily realisable, as the majority are listed on Vietnam's stock exchanges.

At year end, the Company's non-derivative financial liabilities have contractual maturities which are summarised in the table below. The amounts in the table are the contractual undiscounted cash flows.

	30 Jun	e 2016	30 June	30 June 2015		
	Within 12 months USD'000	Over 12 months USD'000	Within 12 months USD'000	Over 12 months USD'000		
Payables to related parties (note 11)	9,538	_	5,036	_		
Other payables (note 11)	312	_	44	_		
	9,850	-	5,080	_		

- (a) Financial risk factors (continued)
- (iii) Liquidity risk (continued)

The Company manages its liquidity risk by investing predominantly in securities through its subsidiaries that it expects to be able to liquidate within 12 months or less. The following table analyses the expected liquidity of the assets held by the Company:

	30 Jun	e 2016	30 June 2015		
	Within 12 months USD'000	Over 12 months USD'000	Within 12 months USD'000	Over 12 months USD'000	
Cash and cash equivalents	1,570	_	906	_	
Receivables	5,077	_	382	4,697	
Financial assets at fair value through profit or loss	636,855	152,884	545,627	172,132	
	643,502	152,884	546,915	176,829	

Some indirect associates have made commitments that are not guaranteed by the Company. It is anticipated that such commitments will be met from cash and investment proceeds withheld by the subsidiaries or through cash injections by the Company.

(b) Capital management

The Company's capital management objectives are:

- To ensure the Company's ability to continue as a going concern;
- To provide investors with an attractive level of investment income; and
- To preserve a potential capital growth level.

The Company is not subject to any externally imposed capital requirements. The Company has engaged the Investment Manager to allocate the net assets in such a way so as to generate a reasonable investment return for its Shareholders and to ensure that there is sufficient funding available for the Company to continue as a going concern.

(b) Capital management *(continued)*Capital as at the year-end is summarised as follows:

	30 June 2016 USD'000	30 June 2015 USD'000
Net assets attributable to equity shareholders	786,536	718,664

(c) Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

There are no financial liabilities of the Company which were carried at fair value through profit or loss as at 30 June 2016 and 30 June 2015.

The level into which financial assets are classified is determined based on the lowest level of significant input to the fair value measurement.

Financial assets measured at fair value in the Statement of Financial Position are grouped into the following fair value hierarchy:

	Level 3 USD'000	Total USD'000
As at 30 June 2016		
Financial assets at fair value through profit or loss	789,739	789,739
As at 30 June 2015		
Financial assets at fair value through profit or loss	717,759	717,759

(c) Fair value estimation (continued)

The Company classifies its investments in subsidiaries and associates as Level 3 because they are not publicly traded, even when the underlying assets may be readily realisable.

If these investments were held at the Company level, they would be presented as follows:

	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
As at 30 June 2016				
Cash and cash equivalents	55,430	-	_	55,430
Ordinary shares – listed	400,005	_	_	400,005
 unlisted and OTC 	_	65,704	17,037	82,741
Private equity	_	_	72,952	72,952
Real estate projects and operating assets	_	-	137,268	137,268
Other assets, net of liabilities	_	-	41,343	41,343
	455,435	65,704	268,600	789,739
As at 30 June 2015				
Cash and cash equivalents	22,752	_	_	22,752
Ordinary shares – listed	391,459	9,759	_	401,218
 unlisted and OTC 	_	30,438	33,372	63,810
Private equity	_	_	51,256	51,256
Real estate projects and operating assets	_	-	173,968	173,968
Other assets, net of liabilities	_		4,755	4,755
	414,211	40,197	263,351	717,759

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include actively traded equities, government bonds and private equity investments which have committed prices at the Statement of Financial Position date. The Company does not adjust the quoted price for these instruments.

(c) Fair value estimation (continued)

Financial instruments which trade in markets that are not considered to be active but are valued based on quoted market prices and dealer quotations are classified within Level 2. These include investments in unlisted equities and over-the-counter ("OTC") equities. As Level 2 investments include positions that are not traded in active markets, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. There are no significant adjustments that may result in a fair value measurement categorised within Level 3.

Private equities, real estate and hospitality investments, and other assets that do not have an active market are classified within Level 3. The Company uses valuation techniques to estimate the fair value of these assets based on significant unobservable inputs such as discount rates, occupancy and room rates, etc., as described in note 3.2.

There were no transfers between the Levels during the year ended 30 June 2016 and 30 June 2015.

(c) Fair value estimation (continued)

Set out below is the sensitivity analysis on the significant unobservable inputs used in the valuation of Level 3 investments as at 30 June 2016.

Level 3 - Range of unobservable inputs (probability-weighted average)

					Terminal			Selling					
Segment	Valuation technique	Valuation (USD'000)	Discount rate	Cap rate	growth rate	Occupancy rate		price per unit (USD)	Sensitivi	ty anal	ysis on maı	nagement's e	estimates
Real estate	Direct comparisons	35,578	N/A	N/A	N/A	N/A	N/A	30 - 8,243				ange in sellin per square m	
											-10%	0%	10%
											32,397	35,578	38,671
											Cha	nge in disco	unt rate
											-1%	0%	1%
Real estate	Discounted cash flows	41,333	15% – 19%	3% – 14.5%	N/A	N/A	N/A	N/A	cap rate (1% 0% 1%	45,620 43,888 42,500	42,910 41,333 40,048	40,408 38,948 37,778
Hospitality	Discounted cash flows	60,357	16.00%	11.00%	N/A	67%	237	N/A			Cha	nge in disco	unt rate
											-1%	0%	1%
									cap rate (1% 0% 1%	63,906 63,318 62,764	60,896 60,357 59,849	58,110 57,615 57,149
											Cł	nange in roo	m rate
									Change in		-1%	0%	1%
									rate (5% 0% 5%	59,827 60,294 60,760	59,886 60,357 60,828	59,944 60,420 60,896
Private equity	y Discounted cash flows	46,151*	17% – 21%	N/A	3% – 5%	N/A	N/A	N/A			Cha	nge in disco	unt rate
											-1%	0%	1%
									growth (1% 0% 1%	48,026 50,001 52,266	44,469 46,151 48,022	41,330 42,741 44,349

^{*} The Company acquired certain investments towards the end of the year. The carrying values of those investments were equivalent to their fair values and therefore excluded from independent valuations and sensitivity analysis.

(c) Fair value estimation (continued)

Set out below is the sensitivity analysis on the significant unobservable inputs used in the valuation of Level 3 investments as at 30 June 2015.

Level 3 - Range of unobservable inputs (probability-weighted average)

Segment	Valuation technique	Valuation (USD'000)		Cap rate	Terminal growth rate	Occupancy rate	Room rate (USD)	Selling price per unit (USD)	Sensitivity a	nalysis on ma	anagement's	estimates
										Chan	ge in selling	
Real estate	Direct comparisons	72,034	N/A	N/A	N/A	N/A	N/A	285 – 1,818			square me	
										-10%	0%	10%
										68,928	72,034	75,107
Real estate	Discounted cash flow	vs 39,757	15% - 21.5%	8.5% - 9.0%	N/A	N/A	N/A	N/A		Cha	nge in disco	unt rate
										-1%	0%	1%
									Change in -1%	47,855	41,872	36,383
									cap rate 0%	45,547	39,757	34,575
									1%	43,597	37,971	32,935
Hospitality	Discounted cash flow	ws 62,177	15.75%	10.75%	N/A	A 69%	235	N/A		Cha	ange in disco	unt rate
										-1%	0%	1%
									Change in -1%	65,987	62,825	59,900
									cap rate 0%	65,281	62,177	59,306
									1%	64,681	61,569	58,748
										C	hange in roo	m rate
									Change in	-1%	0%	1%
									occupancy -5%	57,320	57,386	57,453
									rate 0%	62,105	62,177	62,249
									5%	66,891	66,968	67,044
Private equit	y Discounted cash flow	vs 51,256	25% – 30%	N/A	5% - 6%	N/A	N/A	N/A		Cha	ange in disco	unt rate
										1%	0%	1%
									Terminal -1%	52,263	48,364	44,832
									growth 0%	55,560	51,256	47,427
									rate 1%	59,235	54,516	50,288

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19 FINANCIAL RISK MANAGEMENT (continued)

(c) Fair value estimation (continued)

Specific valuation techniques used to value the Company's underlying investments include:

- · Quoted market prices or dealer quotes;
- Use of discounted cash flow technique to present value the estimated future cash flows;
- Other techniques, such as the latest market transaction price.

Changes in Level 3 financial assets at fair value through profit or loss

The fair value of the Company's investments in subsidiaries and associates are estimated using approaches as described in note 3.2. As observable prices are not available for these investments, the Company classifies them as Level 3 fair values.

	30 June 2016 USD'000	30 June 2015 USD'000
Opening balance	717,759	775,206
Purchases	4,382	_
Sales	_	_
Unrealised gains/(losses), net (note 13)	67,598	(57,447)
	789,739	717,759
Total unrealised gains/(losses) for the year included in:		
Profit/(loss)	67,598	(57,447)
Total unrealised profit/(loss) for the year	67,598	(57,447)

20 RECLASSIFICATION OF COMPARATIVE AMOUNTS

The market value of an investment directly held by a subsidiary, previously classified as prepayments for acquisitions of investment properties in the Statement of Financial Position of the Company, amounting to USD5.8 million (30 June 2015: USD5.2 million) has been reclassified to financial assets at fair value through profit or loss as part of the market value of the subsidiary holding the investment. The reclassification for both the current and prior years had no impact on the Company's NAV.

21 SUBSEQUENT EVENTS

This Annual Report and Financial Statements were approved for issuance by the Board on 27 October 2016. Subsequent events have been evaluated until this date.

On 27 October 2016, the IMA was amended ("Third Amended IMA") to clarify the calculation of incentive fees. The clarification did not result in adjustments on the incentive fees expensed as of and for the year ended 30 June 2016.

Directors

Steven Bates Michael Gray Martin Adams Thuy Bich Dam

Huw Evans (appointed 27 May 2016)

Registered Office

PO Box 255 Trafalgar Court Les Banques St Peter Port Guernsey GY1 3QL Channel Islands

Investment Manager

VinaCapital Investment Management Limited PO Box 309 Ugland House Grand Cayman KY1-1104 Cayman Islands

Administrator and Corporate Secretary

Northern Trust International Fund Administration Services (Guernsey) Limited PO Box 255 Trafalgar Court Les Banques St Peter Port Guernsey GY1 3QL Channel Islands

Registrar

Computershare Investor Services (Guernsey) Limited 1 Le Truchot St Peter Port Guernsey, GY1 1WD Channel Islands

Independent Auditors for the financial year ending 30 June 2015

PricewaterhouseCoopers 21/F Edinburgh Tower 15 Queens Road Central Hong Kong

Independent Auditors for the financial year ending 30 June 2016

PricewaterhouseCoopers CI LLP
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THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you should consult immediately your stockbroker, bank manager, solicitor, accountant or other financial adviser, authorised under the Financial Services and Markets Act 2000 (as amended).

If you have sold or otherwise transferred all of your Ordinary Shares in VinaCapital Vietnam Opportunity Fund Limited, please send this document and Form of Proxy, as soon as possible, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

(Company No. 61765)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2016 Annual General Meeting of the Company will be held at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands on 21 December 2016 at 2.00pm.

Resolution on		
Form of Proxy	Ag	enda
	1.	The Chairman of the Meeting.
Ordinary Resolution 1	2.	To receive the Annual Report and Financial Statements of the Company for the year ended 30 June 2016.
Ordinary Resolution 2	3.	To receive and adopt the Directors' Remuneration Policy.
Ordinary Resolution 3	4.	To receive and adopt the Directors' Remuneration Report.
Ordinary Resolution 4	5.	To re-elect PricewaterhouseCoopers CI LLP as Auditor of the Company until the conclusion of the next General Meeting.
Ordinary Resolution 5	6.	To authorise the Board of Directors to determine the Auditor's remuneration.
Ordinary Resolution 6	7.	To re-elect Steven Bates following his retirement in accordance with Article 20.3 of the Articles of Incorporation of the Company as a Director of the Company.
Ordinary Resolution 7	8.	To re-elect Martin Adams following his retirement in accordance with Article 20.3 of the Articles of Incorporation of the Company as a Director of the Company.

NOTICE OF 2016 ANNUAL GENERAL MEETING

- Ordinary Resolution 8 **9.** To re-elect Thuy Dam following her retirement in accordance with Article 20.3 of the Articles of Incorporation of the Company as a Director of the Company.
- Ordinary Resolution 9 **10.** To elect Huw Evans as a Director of the Company following his appointment on 27th May 2016 to hold office until the next Annual General Meeting.
- Ordinary Resolution 10 **11.** To receive and approve the Company's Dividend Policy as contained within the Annual Report and Financial Statements of the Company for the year ended 30 June 2016.

Special Business

- Ordinary Resolution 11 12. That, the Company be generally and, subject as hereinafter appears, unconditionally authorised in accordance with section 315 of the Companies Law to make market acquisitions (within the meaning of section 316 of the Companies Law) of its issued Ordinary Shares, provided that:
 - The maximum number of Ordinary Shares hereby authorised to be purchased shall be that number of Ordinary Shares up to 14.99 per cent. of the Company's issued Ordinary Shares (excluding Treasury Shares) in issue as at 21 December 2016;
 - ii. The minimum price which may be paid for an Ordinary Share is US\$0.01;
 - iii. The maximum price which may be paid for an Ordinary Share will not exceed the higher of (a) 5 per cent. above the average of the middle market quotations (as derived from the Official List) for the 5 consecutive dealing days ending on the dealing day immediately preceding the date on which the purchase is made; and (b) the higher of the price quoted for the last independent trade and the highest current independent bid as stipulated by Article 3(2) of the EU Buy-back and Stabilisation Regulation (No. 1052 of 2016);
 - iv. Any Ordinary Shares purchased may be cancelled or held in treasury;
 - v. The authority hereby conferred shall expire at the conclusion of the Company's next Annual General Meeting, or, if earlier, on 21 March 2018 (unless previously renewed, revoked or varied by the Company by ordinary resolution) save that the Company may make a contract to acquire Ordinary Shares under this authority before its expiry which will or may be executed wholly or partly after its expiration and the Company may make an acquisition of Ordinary Shares pursuant to such a contract.
- Ordinary Resolution 12 **13.** THAT the Directors of the Company be and are generally and unconditionally authorised to exercise all powers of the Company to issue Ordinary Shares up to a maximum number representing 10% of the issued ordinary share capital of the

Company, such authority to expire at the conclusion of the Company's next Annual General Meeting or, if earlier, on 21 March 2018 (save that the Company may prior to the expiry of such period make any offer or agreement which would or might require such Ordinary Shares to be issued after such expiry and the directors of the Company may issue such Ordinary Shares in pursuance of any such offer or agreement as if the authority conferred hereby had not expired).

Extraordinary Resolution 13

- 14. THAT the pre-emption rights granted to Shareholders pursuant to Article 5.2 of the Articles of Incorporation of the Company shall not apply in respect of the issue of up to 10% of the issued ordinary share capital of the Company, such authority to expire at the conclusion of the Company's next Annual General Meeting or, if earlier, on 21 March 2018 (save that the Company may prior to the expiry of such period make any offer or agreement which would or might require such Ordinary Shares to be issued (or sold from treasury) after such expiry and the directors of the Company may issue (or sell from treasury) such Ordinary Shares in pursuance of any such offer or agreement as if the authority conferred hereby had not expired), unless such resolution is previously revoked by the Company's shareholders by further Extraordinary Resolution.
- 15. Any Other Business.

By Order of the Board

For and on behalf of

Northern Trust International Fund Administration Services (Guernsey) Limited Secretary

17 November 2016

Notes

A member of a company is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at a meeting of the company. A member may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. A proxy need not also be a member of the company. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. The requisite form is attached hereto and must be lodged with the Company's Registrars at:

The Pavilions, Bridgwater Road, Bristol, BS99 6ZY at least 48 hours before the time of the Meeting.

ANNUAL GENERAL MEETING

The following information to be discussed at the forthcoming Annual General Meeting is important and requires your immediate attention. If you are in any doubt about the action you should take, you should seek advice from your stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 (as amended).

If you have sold or transferred all of your Ordinary Shares in the Company, you should pass this document and Form of Proxy as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

Resolutions relating to the following items of special business will be proposed at the forthcoming Annual General Meeting:

Ordinary Resolution 11 (Agenda Item 12) - (Authority to buy back ordinary shares)

The resolution to be proposed will seek to renew the authority granted to Directors enabling the Company to purchase its own Ordinary Shares. The Directors will only consider repurchasing shares in the market if they believe it to be in shareholders' interests and as a means of correcting any imbalance between supply and demand for the Company's shares.

Under the Listing Rules of the Financial Conduct Authority, the maximum price payable by the Company for each Ordinary Share is the higher of (i) 105% of the average of the middle market quotations of the Ordinary Shares for the five dealing days prior to the date of the market purchase and (ii) the higher of the price quoted for the last independent trade and the highest current independent bid as stipulated by Article 3(2) of the EU Buy-back and Stabilisation Regulation (No. 1052 of 2016). The Directors are seeking authority to purchase up to 14.99% of the Ordinary Shares in issue as at the latest practicable date prior to the publication of this notice. This authority, unless renewed at an earlier general meeting, will expire at the conclusion of next year's Annual General Meeting or, if earlier, on 21 March 2018.

Purchases of Ordinary Shares will be made within guidelines established from time to time by the Board and only in accordance with the Companies Law, the Listing Rules and the Disclosure and Transparency Rules.

Ordinary Resolution 12 (Agenda Item 13) – (Authority to issue shares)

This resolution seeks authority for the Directors to issue Ordinary Shares up to a maximum number representing 10% of the Company's issued ordinary share capital excluding treasury shares at the date of this notice. The Directors will use this authority when it is in the best interests of the Company to issue shares. This authority will expire at the conclusion of next year's Annual General Meeting or, if earlier, on 21 March 2018.

Extraordinary Resolution 13 (Agenda Item 14) – (Authority to disapply pre-emption rights)

Pursuant to the Articles of Incorporation, Directors require specific authority from shareholders before issuing new shares or selling shares out of treasury for cash without first offering them to existing shareholders in proportion to their holdings. This resolution empowers the Directors to issue new shares or to sell shares held by the Company in treasury, otherwise than to existing shareholders on a pro rata basis, in respect of up to 10% of the Company's issued ordinary share capital excluding treasury shares at the date of this notice. Unless renewed at a general meeting prior to such time, this authority will expire at the conclusion of next year's Annual General Meeting of the Company or, if earlier, on 21 March 2018.

RECOMMENDATION

The Board considers the resolutions to be proposed at the forthcoming Annual General Meeting to be in the best interest of the Company and the members as a whole and recommends that members vote in favour of the resolutions to be proposed at the forthcoming Annual General Meeting.



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