

## **VietNam Holding Limited**

("VNH" or the "Company")

### **Interim Report**

VietNam Holding Limited is pleased to announce its unaudited results for the six-month period from 1 July 2023 to 31 December 2023. This announcement contains inside information, which is disclosed in accordance with the Market Abuse Regulation.

More information on the Company is available at <https://www.vietnamholding.com>

## **VietNam Holding Limited**

(a non-cellular company limited by shares registered in Guernsey under the Companies (Guernsey) Law, 2008, on 25 February 2019 with registered number 66090)

### **Condensed Interim Unaudited Financial Statements for the six-month period from 1 July 2023 to 31 December 2023**

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#### **Chairman's Statement**

Dear Shareholder,

I would like to thank all shareholders of VietNam Holding Limited (the "Company" or the "Fund") who voted at our recent Annual General Meeting and Extraordinary General Meeting. The almost unanimous (99%) support for the five-yearly continuation of the Fund and for the approval of the innovative redemption facility are much appreciated.

In our meetings ahead of the vote, several shareholders told us that they were delighted by the Fund's performance on many fronts: the Net Asset Value ("NAV"); the outperformance against peers and the broader market; and the narrower discount between the Fund's NAV per share and its share price. I will touch on each of these briefly.

Firstly, the NAV per share increased by 8 percent in US dollar ("USD") terms with Total Assets increasing to USD 123,460,167 as at 31 December 2023, from USD 116,191,137 at 30 June 2023. Total Comprehensive Income was USD 8,904,430 in the six-month period, a significant increase on the Total Comprehensive Loss of USD 21,831,338 generated in the corresponding period in 2022. The Investment Manager gives a detailed explanation of the drivers of this asset performance in the *Investment Manager's Report*. Let me add that the Manager has shown nimbleness in decision making and has delivered a market-beating return in the six-month period.

Secondly, the increase in the Fund's NAV per share was 4.8% higher than the Vietnam All Share Total Return Index ("VNASTR"), and 5.8% higher than its closest London listed peer during this period. Although the Fund is smaller and has a higher total expense ratio than its peers due to its size, this market-beating return is after all these fees are accounted for. Above all, the Fund has outperformed VNASTR over 1, 3, 5 and 10 years.

Lastly, in addition to the Investment Manager's continuing communication strategy, the Board made appropriate decisions for implementing share buybacks as a means of addressing the discount between the share price and the NAV. During the period in review, the Company bought back 440,212 shares at an average price of USD 3.697, adding an estimated 0.12% in NAV per share accretion. The Share buyback authority was renewed by the Shareholders at the AGM in December 2023, allowing up to 14.99% of the Company's issued shares to be bought back. Current practice is that shares bought back are cancelled.

It is worth noting that the Fund has the narrowest discount of the three London-listed Vietnam focused funds. Over the last twelve months the discount was at an average of 13.3% versus 17% for its peers. At the end of December, the discount was 7.7%, versus an average of 19.5% for peers. I believe the narrower discount is partly a reflection of the innovative redemption facility that was proposed to shareholders in November and unanimously approved in December. Starting this September, shareholders will have the option to redeem shares on an annual basis at NAV<sup>[1]</sup>. Of course, investors are also free to buy and sell shares in the market at any time.

In December, I was delighted that the Fund's outperformance was recognised by both Citywire and UK Investor Magazine, both of which awarded the Fund 'top emerging market single country fund.' The Fund has also once again achieved high marks in the United Nations Principles of Responsible Investing ("PRI") transparency report. We are unashamedly proud of our efforts in this area. In May 2023, we collaborated with the Investment Manager in sponsoring and supporting the inaugural ESG investor conference in Vietnam and will be supporting its sequel on 16 and 17 May 2024 in Ho Chi Minh City. I am fully aware that some Funds in the industry have been criticised for 'greenwashing' - mislabelling of efforts, and in certain cases unsubstantiated statements of ESG activity. In contrast, the Fund has an authentic approach to ESG and has been at the forefront of responsible investing for many years. It became a PRI signatory in 2009, just three years after the PRI was established, and yet has also maintained an industry-leading level of long-term outperformance.

In terms of our outlook, the world remains complex and economic recovery is fragile. Although global inflation and interest rates may retreat this year, the global economy faces unprecedented geopolitical risks and events that all countries, including Vietnam, need to navigate. An estimated sixty percent of the world's eligible voters go to the polls this year, and some newly elected governments may choose populist domestic agendas, which is likely to put some stress on the global system of free trade that has served the world well over the past seventy years. Last year Vietnam welcomed both US President Biden, and Chinese President Xi Jinping, as it seeks to strike a balance between being a friendly shore for US manufacturers and a strong trading partner with its Chinese neighbour.

The Manager has successfully navigated the Fund during the period in review and will continue to seek both sustainable outperformance and strong risk adjusted returns through its active management of our concentrated portfolio of well-researched companies.

I would like to thank my fellow-board members for their contributions to the Company. At the AGM in December, two of the long-standing Directors, Sean Hurst and Damien Pierron retired from the board, and I am grateful for their hard work over several years. We are in the process of recruiting a new board member, and details will be released when the appointment is finalised.

Finally, I would also like to thank all our shareholders for their continuing support in the Company and look forward to seeing what 2024, the Year of the Dragon, in the Lunar calendar will bring.

Hiroshi Funaki  
Chairman  
VietNam Holding Limited  
16 March 2024

## **Investment Manager's Report**

More favourable domestic news in the fourth quarter of 2023 rekindled local investor confidence. This is significant since Vietnam's equities market is dominated by 7.5 million domestic individual investors.

Exports began to increase, resulting in a record full-year trade surplus of USD 28 billion. Foreign Direct Investment ("FDI") proved to be robust, with disbursed levels of FDI reaching record levels of USD 23 billion. Public Expenditure was also positive, hitting a year high of USD 24 billion, with progress made on certain critical pieces of new infrastructure, including site work at the new International Airport in Long Thanh. These encouraging factors, together with ongoing reductions in domestic funding costs, resulted in renewed activity in the stock market. Daily liquidity improved (the Average Daily Trade Value doubled during the year to USD 650 million), and the Vietnam All Share Index ("VNAS") rose 3.2 percent during the six-month period.

Not all sectors of the economy were viewed as favourably, therefore stock selection was crucial to the Fund's outperformance. During the six-month period under review, the Fund's NAV increased by 8 percent (versus 3.2 percent for VNAS), bringing the whole calendar year gain to 22.4 percent (versus 18.0 percent for VNAS).

## Portfolio Performance

Our overweight position in Telecommunications, led by top holding FPT (14.9% of NAV), increased by 27.6 percent during the period, resulting in a 42.6 percent year-end gain. In November, FPT announced an internal objective of quintupling its worldwide IT outsourcing revenues to USD 5 billion by 2028 (this would still only be a fraction of the USD 20 to USD 30 billion in annual revenues that Indian IT companies like Infosys and TCS enjoy). The company also has a strong domestic education business (140,000 students enrolled in Science, Technology, Engineering and Maths, or STEM) and is a leading provider of corporate and residential broadband telecommunication services, with more than four million subscribers (similar to Talk-Talk in the UK).

We hold another telecommunication stock, CTR (1.7% of NAV), though it is technically classified as construction and materials. CTR generates half of its revenues from its telecommunications infrastructure business (telecom towers). It rose by 26.4 percent during the period, and 80 percent for the entire year. In December, the Ministry of Information and Telecommunications announced that 2G bandwidth would be discontinued in September 2024. 2G accounts for roughly one-sixth of all usage on Viettel's network (Viettel is CTR's parent company), implying that more 4G infrastructure is needed, especially in the rural areas. This should benefit CTR in the medium term.

Industrials performed well with our overweight position in port operator Gemadept (6.5% of NAV) increasing by 34.9 percent during the six-month period and 56 percent for the whole year. Industrial Park developer, IDC (5.5% of NAV) rose 24.4 percent during the period and 75.4 percent for the year. These two sectors benefit from the 'made in Vietnam' theme, as global manufacturers invest in factories to make goods for the global markets. Rather than trying to select a single factory or brand, we are investing in the business-to-business enablers, such as logistics and industrial parks.

Gemadept has enjoyed strong profit growth over the past three years, with an unprecedented gain in 2023 from the sale of one of its older ports. This gain helped to offset some of the weakness caused by decreased global commerce in the first half of 2023. While we expect the relative growth in total profits for Gemadept to be lower in 2024, the main port operations are seeing increasing utilisation (higher throughput volume) and may benefit from higher service fees.

IDC is one of Vietnam's major industrial park (IP) developers, with 10 projects spanning 4,000 hectares of industrial property. Industrial real-estate outperformed residential and commercial counterparts during the period. The company has benefitted from the influx of FDI into a range of sectors, including industrial, materials and consumer staples.

One of our new positions in the year, FRT (4.9% of NAV), a leading retailer (with a pharmaceutical brand and a digital goods brand) rose 45.4 percent during the period, following a weaker first half, for a total stock price return of 25 percent. The traditional digital goods retailing segment suffered a loss in 2023 due to deteriorating consumer sentiment, while the newer, fast-growing pharmacy business proved to be more resilient and profitable (with double the gross margin as digital goods). The company opened 560 pharmacies in 2023, taking its total store count to 1,497. As a comparison, Boots, the UK's largest chain, has 2,200 stores.

Not everything went up as expected, and our bank holdings (our largest sector, though an underweight to the market) fell by 3.6 percent, with Sacombank (5% of NAV) down by 9 percent in the period (though up 21 percent for the year) and Vietcombank (5% of NAV) down by 8 percent (though up 15 percent over the year). MBB (5.6% of NAV) remains a strong conviction in the banking sector delivering an impressive 25 percent YoY increase. MBB's profit for the year was USD 1.1 billion, a 15.7 percent YoY increase, thanks to a high Net Interest Margin of 4.8% and excellent customer reach.

The bank has a strong digital offering, and by the end of 2023 it had 26 million customers using its mobile banking app, a 30 percent increase for the year. This follows the high growth rate of e-commerce in the broader Vietnamese economy which at 37 percent per annum is the highest in Asia<sup>[2]</sup>.

## Economic Outlook

We are pleased to have outperformed over 1, 3, 5, and 10 years, but we will not rest on our laurels. The Vietnamese stock market is volatile, and so requires active on-the-ground research and interaction capabilities. Our portfolio includes 25 holdings, with the top ten accounting for 61.5 percent of NAV. Having said that, we know the positions well and are engaged with the boards and management of each company we hold. Also, liquidity in the market remains sufficient, so the portfolio could be liquidated in less than 30 days.

As the Chairman points out, today's world is complex and often chaotic, and exporting economies such as Vietnam are impacted by trade and tariff disruptions. As we write this report, terrorists are attacking ships on the Red Sea maritime route, and the Panama Canal's severe drought has cut the number of crossings by 36 percent<sup>[3]</sup>.

2024 is also a year when 60 percent of the world's population goes to the polls. Taiwan and Bangladesh held elections in January, Pakistan and Indonesia in February, and India and the United States of America face presidential elections later this

year. In the past, the Republican front-runner has made comments about levelling the playing field regarding trade with the US, signaling a policy of renewed trade tariffs if elected in November's presidential election.

The positive backdrop to the external challenges facing Vietnam is the relatively robust domestic macroeconomic conditions. The country has robust FX reserves of around USD 100 billion, which have been bolstered by the record trade surplus and FDI levels achieved in 2023. Additionally, inflation remains modest, and government bond yields are at near record lows.

There are also encouraging indicators of domestic spending on infrastructure. The new international airport at Long Thanh in Dong Nai Province (approximately 50km from Ho Chi Minh City) is taking shape, new ports and roads are being built, and the Hanoi and Ho Chi Minh City metro systems might finally see the light of day. Infrastructure has a multiplier effect on economic growth, especially new 'green field' projects. This is often shown as an improvement in the lives of local communities and increased opportunities for Vietnam's numerous Small to Medium sized Enterprises.

Another positive development is in the capital market infrastructure. The delayed stock exchange upgrade may not solve every problem when it comes online later in 2024, but it may provide enough of an impetus to remove prefunding requirements for stock trading accounts. This small technical adjustment may be all that is needed to see the FTSE Russell upgrade Vietnam from frontier market to secondary emerging market (see the *Market Report*).

As the Chairman of the Fund notes, we continue to be nimble and innovative. We do not take our outperformance to the market and our peers for granted and look forward to delivering on our pledges to 'do more, measure more and report more' to our investors and stakeholders during the year to come.

Dynam Capital, Ltd  
16 March 2024

## Market Report

### Emerging from the Frontier

**Last year in an article, 'A new frontier in Vietnam', we noted how Vietnam accounted for 30% of the MSCI Frontier Market Index and highlighted the challenges to being upgraded to the MSCI Emerging Market Index. Now, there is another chance of an upgrade but on a different index, the FTSE Russell Secondary Emerging Market Index. So, what are the prospects for Vietnam now?**

Vietnam was added to the FTSE Russell's Watch List in September 2018 for a possible reclassification from Frontier to Secondary Emerging market status. However, progress towards such an upgrade has been painfully slow, in part due to Covid-19, but also because Vietnam falls short of satisfying the criteria used by FTSE Russell.

Unlike MSCI's three categories, Developed, Emerging and Frontier, FTSE has four that a country's stocks can be classified as: Developed, Advanced Emerging, Secondary Emerging and Frontier. Eligibility for a given status is determined by six main criteria (MSCI uses five) and a total of 24 sub-criteria (MSCI has 18).

FTSE developed the criteria with consultation from the international institutional investor community and it publishes an annual review of all markets against this criteria each September. If a country is under consideration for a status change, either up or down, it is included in the Watch List. Vietnam is currently on this list for an upgrade, while Pakistan is on the list for a downgrade.

When and if an upgrade happens, Vietnam will leave the likes of Bangladesh, Mongolia and Sri Lanka and join the same league as Indonesia and the Philippines. Vietnam, Indonesia, and the Philippines already share the 'lower middle' GNI per capita ratings by the World Bank.

The countries only differ on 11 out of 24 criteria:

Category	Indonesia	Philippines	Vietnam
Credit Worthiness	Investment	Investment	Speculative
Market monitored by regulatory authority	Restricted	Pass	Pass
No or simple registration process for foreign investors	Pass	Pass	Restricted
Reasonable Transaction Costs	Pass	Not Met	Pass
Short Sales Permitted	Restricted	Restricted*	Not Met
Developed Derivatives Market	Not Met	Not Met	Restricted
Off Exchange transactions permitted	Pass	Pass	Not Met
Efficient Trading Mechanism	Pass	Pass	Restricted
Central Counterparty Clearing	Pass	Pass	Not Met
Settlement (free delivery)	Restricted	Restricted	Not Met

Account structure operating at the Custodian level	Restricted	Restricted	Not Met
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Source: FTSE Russell, September 2023

\*The Philippines introduced short selling in October 2023

Vietnam does not meet the 'Settlement' criterion because of the need for pre-funding of stock accounts and pre-trading check to ensure availability of funds prior to trade execution. Nevertheless, it will remain on the Watch List as a Frontier market and reviewed for possible reclassification in 2025.

*"Although progress on the planned market reforms has remained slow, a recommitment to the work required has been made by senior levels of government. In addition, the State Securities Commission (SSC) has demonstrated renewed energy in seeking a workable solution that would remove the need for pre-funding."*, a leading brokerage in Vietnam said.

## Viva Vietnam

The rapid rise of the retail investor in Vietnam has transformed the country's capital markets. There are an estimated 7.5 million trading accounts in Vietnam, which is equivalent to approximately 8% of the population. This is comparable to the European average of 7.9% (euronerd.com). However, unlike Europe, where institutional investors account for most of the stock market activity, domestic retail investors dominate Vietnam's market. Furthermore, daily liquidity in Vietnam now averages close to USD 1 billion, with more than 80% of this activity coming from domestic investors.

Despite increasing local interest and the growth in size and liquidity of its stock market, leading global equity index providers continue to classify Vietnam as a 'Frontier' country. It is the largest and arguably most developed constituent of the FTSE Russell Frontier Index, with Vietnamese companies accounting for 37% of the indices' USD 93 billion. Additionally, five Vietnam companies are in the top-ten of the index.

Indices are widely used as a benchmark for active and passive global institutional investors and fund managers. When a country's stocks are included in the index, there is typically an increased allocation from investors who use that benchmark. So, to be in line with the index, a Frontier market investor may allocate 37% to Vietnamese stocks. If Vietnam is upgraded to Secondary Emerging market, it might be expected to have an allocation of 1% to 2%. That looks small, but the FTSE Emerging Market capitalisation is USD 6.6 trillion dollars (seventy times bigger than the Frontier Market), so Vietnam will see a much smaller share of a much larger pie.

## The stakes are high

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

The benefits for the Vietnamese government in pursuing this upgrade include the following:

1. **Enhanced Global Investment and Economic Growth:** Achieving emerging market status would significantly increase foreign investment inflows, providing capital for infrastructure, technology, and various sectors. This influx of investment would accelerate economic growth, creating more jobs and enhancing the overall standard of living.
2. **International Recognition and Credibility:** Being classified as an emerging market would affirm Vietnam's economic stability and progress on the global stage. This recognition would improve trade relations, open new partnership opportunities, and potentially lead to more favourable international agreements.
3. **Market and Economic Resilience:** The process of upgrading would necessitate and encourage the implementation of robust financial regulations and practices. This would not only attract more investors but also ensure a more resilient and diversified economy, better equipped to handle global economic fluctuations.

Vietnamese authorities could assist the stock market in achieving an upgraded status in the following ways:

1. **Regulatory Reforms and Transparency:** Implementing and enforcing stricter regulatory standards, particularly those related to corporate governance, financial disclosures, and transparency. Aligning with international best practices will build investor confidence and meet the criteria set by global market classification entities.
2. **Market Infrastructure and Accessibility Improvements:** Enhancing the stock market infrastructure to ensure efficient trading, clearing, and settlement processes. Additionally, easing restrictions on foreign ownership and investment, and simplifying the process for foreign investors to participate in the market.
3. **Economic Diversification and Stability Measures:** Encouraging diversification in the economy, which in turn diversifies the stock market, reducing reliance on a few sectors. Implementing policies that promote economic stability, such as controlling inflation and maintaining fiscal discipline, will further bolster investor confidence.

## **Moving forward**

The most important point is that taking these incremental steps towards inclusion will benefit everyone investing in Vietnam in the long run. Although the initial influx to the market may be modest, ranging between USD 3 and USD 5 billion, the government would greatly appreciate the prestige.

Eventual inclusion would be a huge move for Vietnam, putting it more firmly on investors' radars, and there will be plenty of opportunities to reap even before that happens.

The market is appealingly cheap, with stocks trading at around 10 times earnings and companies forecasting an average of 20% growth in earnings in 2024. Weak global growth and domestic sentiment depressed the stock market in much of 2023, but with a better second half, funds like VietNam Holding Limited ("VNH") managed to generate strong overall returns (up 23% on the year). Although foreigners were net sellers of Vietnamese equities in 2023, perhaps as we enter the Year of the Dragon the prospects of a possible upgrade next year by one of the key index producers would shine more light on the market again and attract greater foreign investor inflows.

Growth at a reasonable price has been one of VNH's mantras during the past six years for its concentrated portfolio of public companies listed on the Vietnam stock exchanges. Whether you view Vietnam as the biggest Frontier Market, or one of the smaller Emerging Markets, it is a country that could add sensible diversification to your portfolio in 2024.

*This article has been written by Craig Martin, Chairman of Dynam Capital. Dynam is the Fund manager for LSE-listed VNH.*

## **Interim Report of the Directors**

The Board of Directors (the "Directors") submits its report together with the Condensed Interim Unaudited Financial Statements of VietNam Holding Limited (the "Company") for the six-month period from 1 July 2023 to 31 December 2023 (the "six-month period").

The Company is registered in Guernsey as a non-cellular company with limited liability. The registered office of the Company is 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL.

## **Investment Objective**

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

## **Investment Policy**

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

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

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

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

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

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

The Company may invest:

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

## **Borrowing Policy**

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

## **Investment Restrictions and Diversification**

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

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

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

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

## **Principal Risks**

### **Market Risk**

Vietnam is an increasingly open trading nation, and the changes in terms of international trade, disruption to supply chains and impositions of tariffs could impact directly and indirectly the Vietnamese Economy and the companies in which the Company is invested. The Vietnamese economy can also be impacted by the global-macro economic conditions, and also geopolitical tensions. The Vietnamese capital markets are relatively young, and liquidity levels can change abruptly responding to changes in behaviour of domestic and international investors.

Parts of the portfolio may be prone to enhanced liquidity and price risk.

### **Investor Sentiment**

Vietnam is currently classified as a Frontier Market by MSCI, and the timetable for any inclusion as an Emerging Market is unsure. Investor attitudes to Frontier and Emerging Markets can change, leading to reduced demand for the Company's shares, and an increase in the discount to NAV per share.

### **Investment Performance**

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

### **Fair Valuation**

The risks associated with the fair valuation of the portfolio could result in the NAV of the Company being misstated. The quoted companies in the portfolio are valued at market price, but it may be difficult to liquidate, where large positions are held, at these prices in an orderly fashion in the ordinary course of market activity. The values of the Company's underlying investments are denominated in Vietnamese Dong, whereas the Company's accounts are prepared in US Dollars. The Company does not hedge its Vietnamese Dong exposures so exchange rate fluctuations could have a material effect on the NAV.

### **Investment Management Agreement**

The fund management activities are outsourced to the Investment Manager. If the Investment Manager became unable to carry out these activities or if the Investment Management Agreement was terminated, there could be disruptions to the management of the portfolio until a suitable replacement is found.

## Operational

The Company has no employees and is dependent on a number of third parties for the provision of services (including Investment Management, Fund Administration and Custody). Any control failures or gaps in the services provided could result in damage or loss to the Company.

## Legal and Regulatory

Failure to comply with relevant regulation and legislation in relevant jurisdictions may have an impact on the Company. Although there are compliance policies (including anti-bribery policies) in place at the Company, the Investment Manager and all service providers, the Company could be damaged or suffer losses if any of these policies were breached.

## Pandemic Risk

The global reach, impact and disruption to markets resulting from the recent outbreaks of Covid-19 showed the devastating effects that a global pandemic could cause. Lockdowns, quarantine measures and restrictions on travel caused sustained global economic disruption and the slowdown in growth caused some industries and companies to face severe financial pressures.

## Climate Risk

Climate change is happening faster than models earlier predicted, threatening the safety of billions of people on the planet. Vietnam is one of the five countries most vulnerable to climate change. The country's diverse geography means it is hit by sea level rise, typhoons, landslides, flooding and droughts, and weather events are expected to worsen in coming years. Two types of climate-related risks have been identified.

(1) Physical risks: sea level rise, floods and typhoons that put infrastructure or real estate companies with projects in coastal areas or low-lying levels at higher risk from physical impacts of climate change.

(2) Transition risks: climate policy and rising carbon prices may cause higher prices and impact the viability of companies that rely on fossil fuels or those in high carbon intensity activities and may necessitate a significant, and costly, technology shift.

## Emerging Risks

New risks beyond those identified as Principal Risks can develop. These Emerging Risks may have a detrimental or existential impact on the Company.

## Life of the Company

The Company does not have a fixed life, but the Directors consider it desirable that shareholders should have the opportunity to review the future of the Company at appropriate intervals. Accordingly, the Directors intend that every fifth year a special resolution will be proposed that the Company shall continue in existence. If the resolution is not passed the Directors will be required to formulate proposals to be put to shareholders to either wind up the Company or implement a reconstruction, amalgamation or other material alteration to the Company or its activities. The Directors last tabled such a resolution at the Annual General Meeting of the Company on 21 December 2023. The resolution was passed, allowing the Company to continue as currently constituted. The next such vote is expected to be tabled at the Annual General Meeting in 2028.

## Annual Redemption Facility

At the Extraordinary General Meeting of the Company held on 21 December 2023 shareholders voted in favour of a proposal that introduced an innovative redemption structure that gives shareholders an annual opportunity to realise their holding in the Company at fair market value. The first Redemption Point is expected to be on 30 September 2024.

It is expected that the introduction of the redemption facility will result in the Company being treated as an "offshore fund" for the purposes of UK taxation. UK resident Shareholders should note that the Company expects to apply to HMRC for approval as a "reporting fund" for the purposes of the Offshore Fund Rules. The Company expects to comply with the requirements for obtaining and maintaining reporting fund status, but Shareholders should note that this cannot be guaranteed. Further details on the tax consequences are detailed in the Circular dated 27 November 2023.

Shareholders are advised to consider their investment objectives and their own individual financial and tax circumstances and should seek independent professional tax advice and advice from their own independent financial adviser authorised under the Financial Services and Markets Act 2000 as appropriate.

## Results

The results of the Company for the six-month period and the state of its financial affairs as at the reporting date are set out in the Condensed Interim Unaudited Financial Statements on pages 14 to 23.



## Performance

To ensure the Company meets its objectives the Directors evaluate the performance of the Investment Manager at least at each quarterly Board meeting and take into account the following performance indicators:

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

## Related Parties

Details of related party transactions that have taken place during the period and any material changes, if any, are set out in note 6 of the Condensed Interim Unaudited Financial Statements.

## Share Repurchase Programme

Details of the Company's share repurchase programme are set out in note 4 of the Condensed Interim Unaudited Financial Statements.

## Board of Directors

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

Name	Position
Hiroshi Funaki	Non-Executive Chairman
Philip Scales	Non-Executive Director; Audit and Risk Committee Chairman and Management Engagement Committee Chairman
Saiko Tajima	Non-Executive Director; Environmental, Social and Governance Committee Chairman and Remuneration and Nomination Committee Chairman

Sean Hurst and Damien Pierron stood down at the AGM and resigned as Directors of the Company effective 21 December 2023.

## Directors' Interest in the Company

As at 31 December 2023 and 30 June 2023, the interests of the Directors in shares of the Company were as follows:

	Shares held as at 31 December 2023	Shares held as at 30 June 2023
Hiroshi Funaki	19,887	19,887
Sean Hurst	Resigned	5,312
Philip Scales	10,077	10,077
Damien Pierron	Resigned	4,644
Saiko Tajima	5,000	5,000

## Going Concern

The Board considered it appropriate to prepare the Condensed Interim Unaudited Financial Statements on the going concern basis, as explained in the basis of preparation paragraph in note 2 to the Condensed Interim Unaudited Financial Statements. In making this statement, the Board has made enquiries of the Investment Manager and reviewed the Principal Risks. The Board also considered the levels of working capital available to the Company, the closed-ended nature of the Company, the liquidity of the investment portfolio, forecasts of future cash flows, other geopolitical factors. There were no identified material uncertainties to the Company's ability to continue.

On behalf of the Board  
**Hiroshi Funaki**  
Chairman  
VietNam Holding Limited  
16 March 2024

**Philip Scales**  
Director  
VietNam Holding Limited  
16 March 2024

## Statement of Directors' Responsibilities

The Directors are responsible for preparing this interim financial report in accordance with applicable law and regulations. The Directors confirm that to the best of their knowledge:

- the Condensed Interim Unaudited Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting; and
- the Chairman's Statement, the Investment Manager's Report and the Interim Report of the Directors include a fair review of information required by:
  - (i) DTR 4.2.7R of the UK Disclosure and Transparency Rules, being an indication of important events, which have occurred during the first six months and their impact on the Condensed Unaudited Interim Financial Statements, and a description of the principal risks and uncertainties for the remaining six months of the year; and
  - (ii) DTR 4.2.8R of the UK Disclosure and Transparency Rules, being related party transactions, which have taken place in the first six months, and which have materially affected the financial position or performance of the Company during that period, and any material changes in the related party transactions disclosed in the last Annual Report.

On behalf of the Board

**Hiroshi Funaki**  
Chairman  
16 March 2024

**Philip Scales**  
Director  
16 March 2024

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

## Condensed Interim Unaudited Statement of Financial Position as at 31 December 2023

		Unaudited As at 31.12.23	Audited As at 30.06.23
	Notes	USD	USD
<b>Assets</b>			
<b>Non-current assets</b>			
Investments at fair value through profit or loss	7	120,510,213	113,225,102
<b>Total non-current assets</b>		<b>120,510,213</b>	<b>113,225,102</b>
<b>Current assets</b>			
Cash and cash equivalents		2,949,954	1,750,069
Accrued dividends		-	877,375
Receivables on sale of investments		-	338,591
<b>Total current assets</b>		<b>2,949,954</b>	<b>2,966,035</b>
<b>Total assets</b>		<b>123,460,167</b>	<b>116,191,137</b>
<b>Equity</b>			
Share capital	4	166,645,041	166,645,041
Reserve for own shares		(172,281,084)	(170,650,584)
Retained earnings		128,169,250	119,264,820
<b>Total equity</b>		<b>122,533,207</b>	<b>115,259,277</b>
<b>Liabilities</b>			
Payables on purchase of investments		645,078	343,745

Payables on repurchase of shares	-	246,469
Accrued expenses	281,882	341,646
<b>Total liabilities</b>	<b>926,960</b>	<b>931,860</b>
<b>Total equity and liabilities</b>	<b>123,460,167</b>	<b>116,191,137</b>

The Condensed Interim Unaudited Financial Statements on pages 14 to 23 were approved by the Board of Directors on 16 March 2024 and were signed on its behalf by

**Hiroshi Funaki**  
Chairman of the Board of Directors

**Philip Scales**  
Chairman of the Audit and Risk Committee

The accompanying notes on pages 18 to 23 form an integral part of these financial statements.

### Condensed Interim Unaudited Statement of Comprehensive Income

	Note	Unaudited 01.07.23- 31.12.23 USD	Unaudited 01.07.22- 31.12.22 USD
Dividend income from investments at fair value through profit or loss		1,263,069	809,155
Net gain/(loss) from investments at fair value through profit or loss	5	9,740,456	(20,501,018)
Net foreign exchange loss		(104,425)	(408,115)
<b>Net investment income/(loss)</b>		<b>10,899,100</b>	<b>(20,099,978)</b>
Investment management fees	6	1,045,166	965,443
Directors' fees and expenses	6	212,915	190,646
Administrative and accounting fees		106,560	99,863
Custodian fees		53,852	79,417
Audit fees		41,467	37,762
Other expenses		534,710	358,229
<b>Total operating expenses</b>		<b>1,994,670</b>	<b>1,731,360</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income/(loss) for the period</b>		<b>8,904,430</b>	<b>(21,831,338)</b>
Basic and diluted earnings/(loss) per share		USD 0.32	(USD 0.75)

The accompanying notes on pages 18 to 23 form an integral part of these financial statements.

### Condensed Interim Unaudited Statement of Changes in Equity

Share capital	Reserve for own shares	Retained earnings	Total
USD	USD	USD	USD

<b>Balance at 1 July 2022</b>	166,645,041	(165,709,783)	127,886,909	128,822,167
<b>Total comprehensive loss for the period</b>				
Change in net assets attributable to shareholders	-	-	(21,831,338)	(21,831,338)
	166,645,041	(165,709,783)	106,055,571	106,990,829
<b>Contributions and distributions</b>				
Repurchase of own shares (note 4)	-	(1,627,485)	-	(1,627,485)
	-	(1,627,485)	-	(1,627,485)
<b>Balance at 31 December 2022</b>	166,645,041	(167,337,268)	106,055,571	105,363,344
<b>Balance at 1 July 2023</b>	166,645,041	(170,650,584)	119,264,820	115,259,277
<b>Total comprehensive income for the period</b>				
Change in net assets attributable to shareholders	-	-	8,904,430	8,904,430
	166,645,041	(170,650,584)	128,169,250	124,163,707
<b>Contributions and distributions</b>				
Repurchase of own shares (note 4)	-	(1,630,500)	-	(1,630,500)
	-	(1,630,500)	-	(1,630,500)
<b>Balance at 31 December 2023</b>	166,645,041	(172,281,084)	128,169,250	122,533,207

The accompanying notes on pages 18 to 23 form an integral part of these financial statements.

### Condensed Interim Unaudited Statement of Cash Flows

	<b>Unaudited 01.07.23 - 31.12.23</b>	<b>Unaudited 01.07.22 - 31.12.22</b>
	<b>USD</b>	<b>USD</b>
<b>Cash flows from operating activities</b>		
Total comprehensive income/(loss) for the period	8,904,430	(21,831,338)
Adjustments to reconcile total comprehensive income/(loss) to net cash from operating activities:		
Dividend income	(1,263,069)	(809,155)
Net (gain)/loss from investments at fair value through profit or loss	(9,740,456)	20,501,018
Purchase of investments	(26,434,224)	(25,555,631)
Proceeds from sale of investments	29,190,902	26,750,546
Net foreign exchange loss	104,425	408,115
Decrease in receivables on sale of investments	338,591	-
Decrease in accrued expenses	(59,764)	(70,160)
(Decrease)/Increase in repurchases of shares payable	(246,469)	80,978
Dividends received	2,140,444	867,927
<b>Net cash from operating activities</b>	<b>2,934,810</b>	<b>342,300</b>

**Cash flows used in financing activities**

Repurchase of own shares	(1,630,500)	(1,627,485)
<b>Net cash used in financing activities</b>	<b>(1,630,500)</b>	<b>(1,627,485)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,304,310</b>	<b>(1,285,185)</b>
Cash and cash equivalents at beginning of the period	1,750,069	8,160,681
Effect of exchange rate fluctuations on cash held	(104,425)	(408,115)
<b>Cash and cash equivalents at end of the period</b>	<b>2,949,954</b>	<b>6,467,381</b>

The accompanying notes on pages 18 to 23 form an integral part of these financial statements.

**Notes to the Condensed Interim Unaudited Financial Statements**

**For the six-month period from 1 July 2023 to 31 December 2023**

**1 The Company**

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

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

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

At the Annual General Meeting held on 21 December 2023 the Shareholders voted in favour of the continuance resolution, authorising the Company to operate in its current form through to the 2028 Annual General Meeting when a similar resolution will be put forward for Shareholders' approval.

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

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

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

The registered office of the Company is 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL.

**2 Principal Accounting Policies****(a) Statement of compliance**

The Condensed Interim Unaudited Financial Statements (the "financial statements") have been prepared in accordance with IAS 34 Interim Financial Reporting, the Disclosure Guidance Transparency Rules of the UK's Financial Conduct Authority and the Listing Rules.

The financial statements do not include all of the information required for full financial statements and should be read in conjunction with the Company's audited financial statements for the year ended 30 June 2023 which were prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS"). The accounting policies used by the Company are the same as those applied by the Company in its annual financial statements as at and for the year ended 30 June 2023.

The Directors have assessed the impact, or potential impact, of all New Accounting Requirements. In the opinion of the Directors, there are no mandatory New Accounting Requirements applicable in the current period that had any material effect

on the reported performance, financial position, or disclosures of the Company. Consequently, no mandatory New Accounting Requirements are listed. The Company has not early adopted any New Accounting Requirements that are not mandatory.

All non-mandatory New Accounting Requirements in issue are either not yet permitted to be adopted or, in the Directors' opinion, would have no material effect on the reported performance, financial position, or disclosures of the Company and consequently have neither been adopted, nor listed.

#### **(b) Basis of preparation**

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

#### **Going concern**

The Directors have reasonable expectations and are satisfied that the Company has adequate resources to continue its operations and meet its commitments for the foreseeable future and they continue to adopt the going concern basis for the preparation of the financial statements. In making this statement, the Directors confirm the Company's forecasts and projections have been stress tested taking into account the potential for (i) asset value declines and (ii) declines in cash dividends from equities held in the portfolio and (iii) share buybacks and tender offers. The Directors note that the underlying liquidity of the Vietnamese stocks has increased significantly during the period with average daily traded volumes doubling from the previous six-month period. The Company's liquidity position, taking into account cash held and with the ability to sell underlying assets to meet share buybacks, tender offers and to meet the operating costs of the Company, shows that the Company is able to operate with appropriate liquidity and be able to meet its liabilities as they fall due. The Directors therefore have a reasonable expectation that the Company will have adequate resources to continue its operations for the foreseeable future and continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **Critical accounting estimates and judgements**

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

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

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

#### **Functional currency**

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

#### **Fair value of financial instruments**

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

### **3 Operating Segments**

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

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

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

All of the Company's investments in securities at fair value are in Vietnam as at 31 December 2023 and 30 June 2023.

All of the Company's investment income can be attributed to Vietnam for the periods ended 31 December 2023 and 31 December 2022.

#### 4 Share Capital

##### Ordinary shares of USD 1.00 each

Pursuant to its redomiciliation to Guernsey, the Company re-registered with an authorised share capital of USD 200,000,000 divided into 200,000,000 shares of a nominal or par value of USD 1.00 each. In line with the Company's Articles of Incorporation Amended and restated by special resolution on 21 December 2023, the Company may from time to time redeem all or any portion of the shares held by the Shareholders on annual basis upon giving notice of not less than 30 calendar days.

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

	31.12.23 No. of shares	30.06.23 No. of shares
Total shares issued and fully paid (after repurchase and cancellations) at and beginning of the period/year	27,725,104	29,225,667
Shares cancellation	(440,212)	(1,500,563)
	<u>27,284,892</u>	<u>27,725,104</u>
Repurchased and reserved for own shares		
At beginning of the period/year	-	-
During the period/year	(440,212)	(1,500,563)
Shares cancellation	440,212	1,500,563
	<u>-</u>	<u>-</u>
<b>Total outstanding ordinary shares with voting rights</b>	<u><u>27,284,892</u></u>	<u><u>27,725,104</u></u>

As a result, as at 31 December 2023 the Company has 27,284,892 (30 June 2023: 27,725,104) ordinary shares with voting rights in issue (excluding the reserve for own shares), and nil (30 June 2023: nil) are held as reserve for own shares.

The Company does not have any externally imposed capital requirements.

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

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

	6 months to 31.12.23 USD	6 months to 31.12.22 USD
Realised gain/(loss) on disposal of investments at fair value through profit or loss	3,516,636	(3,268,922)
Unrealised gain/(loss) on investments at fair value through profit or loss	6,223,820	(17,232,096)
	<u><u>9,740,456</u></u>	<u><u>(20,501,018)</u></u>

#### 6 Related Party Transactions

##### Investment management fees

The Company entered into a new investment management agreement with Dynam Capital, Ltd on 26 June 2018. The agreement was amended and restated on 8 October 2018 and further amended and restated on 1 October 2020. The Board and the Investment Manager agreed to modify the management fee (previously on a sliding scale of 1.5% per annum on NAV below

USD 300 million, 1.25% per annum on NAV between USD 300 - USD 600 million, and 1.0% per annum on NAV above USD 600 million) effectively from 1 November 2020.

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

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

The management fee accruing to the Investment Manager for the six-month period to 31 December 2023 was USD 1,045,166 (period ended 31 December 2022: USD 965,443). An amount of USD 172,801 (30 June 2023: USD 162,201) was outstanding as at 31 December 2023.

#### **Directors' fees and expenses**

The Board of Directors determines the fees payable to each Director, subject to a maximum aggregate amount of USD 350,000 (2022: USD 350,000) per annum being paid to the Board of Directors as a whole. The Company also pays reasonable expenses incurred by the Directors in the conduct of the Company's business including travel and other expenses. The Company pays for directors and officers liability insurance coverage. The charges for the six-month period to 31 December 2023 for the Directors fees were USD 163,052 (period ended 31 December 2022: USD 160,564) and expenses were USD 49,863 (2022: USD 30,082).

As at 31 December 2023, USD 12,747 (30 June 2023: USD nil) of Directors' fees were outstanding.

#### **Directors' ownership of shares**

As at 31 December 2023, Directors held 34,964 ordinary shares in the Company (30 June 2023: 44,920) as listed below.

Hiroshi Funaki	19,887 Shares
Philip Scales	10,077 Shares
Saiko Tajima	5,000 Shares

#### **7 Fair Value Information**

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

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

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

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



	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>As at 31.12.23</b>				
<b>Financial assets classified at fair value upon initial recognition</b>				
Investments in securities	120,510,213		-	120,510,213
<b>As at 30.06.23</b>				
<b>Financial assets classified at fair value upon initial recognition</b>				
Investments in securities	113,225,102	-	-	113,225,102

There were no transfers between levels during the period.

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

## 8 Basic and Diluted Earnings per Share

The calculation of basic and diluted earnings per share at 31 December 2023 was based on the change in net assets attributable to ordinary shareholders of USD 8,904,430 (period ended 31 December 2022: USD (21,831,338)) and the weighted average number of shares outstanding of 27,481,368 (period ended 31 December 2022: 28,991,146).

## 9 Subsequent Events

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

## Director Profiles

### Hiroshi Funaki (Chairman)

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

### Philip Scales (Audit and Risk Committee Chairman and Management Engagement Committee Chairman)

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

### Saiko Tajima (Remuneration and Nomination Committee Chairman and Environmental, Social and Governance Committee Chairman)

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

## Key Parties

### Directors

Hiroshi Funaki  
Philip Scales

### Investment Manager

Dynam Capital, Ltd  
1 Royal Plaza

Saiko Tajima

Royal Avenue  
St Peter Port  
Guernsey  
GY1 2HL

**Registered Office,  
Company Secretary and Administrator**

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

**Sub-Administrator,  
Custodian and Principal Bankers**  
Standard Chartered Bank (Singapore) Limited  
7 Changi Business Park Crescent  
Level 3, Securities Services  
Singapore 486028

**Corporate Broker and Financial Adviser**

Cavendish Securities plc  
*(As from 8 September 2023, formerly finnCap Ltd)*  
One Bartholomew Close  
London  
EC1A 7BL  
*(Nominated Adviser (AIM) until transference to LSE Main Market)*

**UK Legal Adviser**

Stephenson Harwood LLP  
1 Finsbury Circus  
London  
EC2M 7SH

**Market Researcher**

Dynam Consultancy and Services Company Limited  
Floor 12, Deutsches Haus,  
33 Le Duan,  
Ben Nghe Ward, District 1  
Ho Chi Minh City,  
Vietnam

**Guernsey Legal Adviser**

Guernsey Legal Adviser  
Carey Olsen (Guernsey) LLP  
Carey House  
Les Banques  
St Peter Port  
Guernsey  
GY1 4BZ

**Registrar**

Computershare Investor Services (Guernsey) Limited  
1st Floor, Tudor House  
Le Bordage  
St Peter Port  
Guernsey  
GY1 1DB

**Auditor**

KPMG Channel Islands Limited  
Glategny Court  
Glategny Esplanade  
St Peter Port  
Guernsey  
GY1 1WR

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<sup>[1]</sup> Long-term holders of shares (more than two years) can redeem with no redemption fee. Shares held less than one year (but more than six months) can be redeemed with a charge of 3%, between one year and two years the charge is 2%. Redemption fees are paid to the Fund, benefitting remaining shareholders.

<sup>[2]</sup> Source: 'Google, Temasek and Bain, e-Conomy SEA 2023'

<sup>[3]</sup> Source: Associated Press, 21 January 2024