VIETNAM HOLDING

Annual Report 2024

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

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

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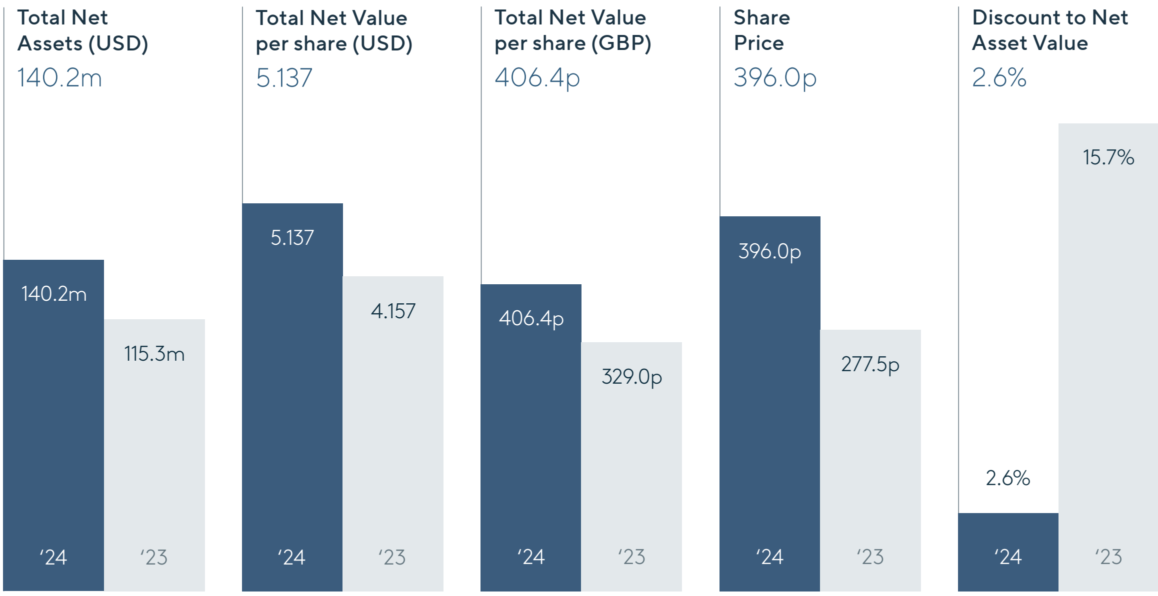
Highlights

Financial Highlights

- Total NAV return was 23.6%
- Outperformed VNAS index by 14.6% during the year
- Outperformed VNAS index on 1, 3, 5, 10 and 15 year basis
- Included in FTSE All Share Index

Operational Highlights

- Fund is invested in 24 positions
- Top-ten positions account for 63.2% of the NAV
- Winner of Citywire's 'best emerging market single-country fund'
- Discount to NAV is the lowest of the peer group.



As at 27 September 2024 (the latest available date before approval of the accounts), the discount to NAV had moved to 4.0%. The estimated NAV per share and mid-market share price at 27 September 2024 was 406.45p and 390.0p respectively.

Ongoing Charges

Ongoing charges for the year ended 30 June 2024 have been calculated in accordance with the Association of Investment Companies (the "AIC") recommended methodology. The ongoing charges for the year ended 30 June 2024 were 2.97% (3.07% as at 30 June 2023). Refer to page 62 for the definitions of Alternative Performance Measures ("APMs") together with how they have been calculated.

Year end 30 June 2024		USD
Average NAV	a	127,574,317
Operating Expenses*	b	3,783,976
Ongoing charges	b/a	2.97%

* Operating expenses per the financial statements less non-recurring expenses of USD 401,824.

Company Overview

Focused Investment Approach

Portfolio of 24 companies with 63.2% in top-ten positions. The portfolio has a price-to-earnings valuation of circa 12.9x 2025 earnings and an earnings growth forecast of 20%

What Makes Us Different

Right Size for the Vietnam Equity Market

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

ESG in the DNA

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

Nimble Access Across Spectrum

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

Actively Managed Portfolio

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

Unique Redemption Feature

VNH is the first London-listed fund focussed on Vietnam to introduce an annual redemption facility, whereby qualifying investors can sell some or all of their shares on an annual basis at NAV less any applicable fees.

DYNAM CAPITAL

Investment Manager

Dynam Capital Ltd

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

What Dynam Capital Ltd Does:

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

VIETNAM HOLDING

The Company

VietNam Holding Limited

London listed Investment Company established in 2006. Member of the FTSE All Share Index. Seeks to achieve long-term capital appreciation by investing in a diversified portfolio of companies in Vietnam that have high growth potential at an attractive valuation.

What VietNam Holding Limited Does:

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

Summary Information

The Company

VietNam Holding Limited (the "Company", the "Fund" or "VNH") is a closed-end investment company that was incorporated in the Cayman Islands on 20 April 2006 as an exempted company with limited liability under registration number 166182. On 25 February 2019, the Company, via a process of cross-border continuance, transferred its legal domicile from the Cayman Islands to Guernsey and was registered as a closed-ended company limited by shares incorporated in Guernsey with registered number 66090. The Shares were admitted to trading on AIM in June 2006 and admitted to the Main Market (previously the Premium segment of the Official List) and admitted to trading in the Main Market of the London Stock Exchange on 8 March 2019. The Company also listed on the Official List of The International Stock Exchange on 8 March 2019. The Company has an unlimited life with a continuation vote in 2028.

Annual Redemption Facility

The Company has introduced an annual redemption facility that gives shareholders an opportunity to realise their holding in the Company at fair market value. The first Redemption Point was on 30 September 2024 and every year thereafter. The redemption facility has no impact on the going concern of the Company. Refer to further details in the Directors 'Report on page 35 and in the Notes to the financial statements on pages 50 to 51.

Investment Objective

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

Investment Policy

The Company attempts to achieve its investment objective by investing in the securities of publicly traded companies in Vietnam, and in the securities of foreign companies if a majority of their assets and/or operations are based in Vietnam.

The Company may invest in equity securities or securities that have equity features, such as bonds that are convertible into equity.

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

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

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

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

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

The Company may invest:

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

Borrowing Policy

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

Investment Restrictions and Diversification

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

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

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

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

- the Company will not invest in companies known to be subject to material violations of Vietnamese laws on labour and employment, including child labour regulations or racial or gender discriminations; and
- the Company will not invest in companies that do not commit to reducing in a measurable way pollution and environmental problems caused by their business activities.

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

Shareholder Information

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

Chairman's Statement

Hiroshi Funaki Chairman

Dear Shareholder,
I am pleased to present the Annual Report for VietNam Holding Limited for the twelve-month period ending 30 June 2024.

This year has been another watershed moment for VietNam Holding Limited: the Fund has outperformed the market, the discount to net asset value ("NAV") has fallen to less than 5% and the Company's shares have been included in the FTSE All Share and FTSE Small Company indices.

The Fund's NAV per share rose 23.6% for the full year to 30 June 2024, outdoing the Vietnam All Share Index ("VNAS") which increased by 9.5%. The Fund has outperformed the VNAS for one, three, five, ten and 15 years. Dynam Capital, the Investment Manager, has delivered an average annualised Alpha of 600 basis points. The Fund has also performed better than its peers by a notable margin. It's no surprise that Citywire named the Fund 'the best emerging market single-country fund' in November 2023 and awarded the Investment Manager's team a coveted triple-A performance in May 2024.

We are happy to report that an overwhelming majority (99%) of shareholders voted to extend the Fund for a further five years at the Extraordinary General Meeting ("EGM") in December 2023 and to adopt the innovative Annual Redemption feature. Perhaps due to shareholders' confidence in the Board's focus on discount management, the discount narrowed swiftly to below 5% after the announcement of the Annual Redemption facility, falling as low as 2%. As a result, the Board has not had to consider any share buybacks between December 2023 and June 2024. The Fund's discount is significantly narrower than those of the other two UK-listed Vietnam funds.

The combination of market-beating NAV performance and a reduced discount have boosted the share price, which increased by 43% this fiscal year. This market-leading performance has come without compromising our commitment to responsible investing. During the year, the Fund and the Investment Manager supported the second environmental, social and governance ("ESG") Investor Conference in Vietnam. The Investment Manager continues to drive engagement with portfolio companies on the challenges and potential for improving governance, climate reporting and climate transition planning. Please refer to the Sustainability Report for more details on this strategy and the initiatives undertaken.

Last December, Damien Pierron and Sean Hurst stepped down from the Board after a long period of dedicated service, and I would like to reiterate my gratitude for their service to the Fund. I am delighted to welcome Ms Vu to the board. Ms Connie Hoang Mi Vu joined in March 2024, bringing her extensive experience as an ESG champion. Ms Vu has taken over as Chair of the ESG Committee, and I am particularly glad to report that 50% of the board is now female, providing further diversity to our Board deliberations.

The Board visited Vietnam in early 2024 and will be returning in November. We are confident the country has a bright future ahead. Despite global headwinds and local incidents, it has performed very well. These challenges include weaknesses in the real-estate sector caused primarily by disruptions in the bond market and project permitting delays, rather than weak end-demand (which remains strong) and concerns about the balance sheet strength of one or two large local corporations (not portfolio companies) exposed to the real-estate sector. We believe that having a dynamic, active investment programme led by an on-the-ground research team is the best way to identify and manage sustainable growth opportunities, as well as navigate the challenges. Active mandates, like those managed by Dynam Capital, have shown strong outperformance versus the broader market. Nimble stock selection and portfolio construction have also helped to beat peers. The Investment Manager's Report provides more information on the portfolio's performance.

Vietnam remains a dynamic country. In a year marked by global uncertainties and economic headwinds, its economy has shown resilience, attracting record amounts of foreign direct investment ("FDI") and generating record trade surpluses, as the country solidifies its position as a leading manufacturing hub. However, the country's government office bearers have changed multiple times. Vietnam has an unusual political structure that is based on a consensus-driven approach by the primary 'pillars' of government, which includes the General Secretary of the Party, the President, the Prime Minister and the Chairman of the National Assembly. Many of the reforms happened during General Secretary Nguyen Phu Trong's fierce anti-corruption and malpractice campaign. On 18 July 2024, President To Lam was asked to temporarily take over some of the duties of General Secretary Trong, who passed away a day later. On August 3 2024, President To Lam was unanimously elected as the General Secretary of the 13th Central Committee of the Communist Party of Vietnam. To Lam comes from the Ministry of Interior and is a former police officer, so we expect anti-corruption measures to continue.

Western media have also covered some of the visible outcomes of this anti-corruption crackdown, including the capital sentences for a female entrepreneur convicted of several charges of misappropriating state assets as well as money-laundering, mis-selling of bonds, and fraud. Despite the harsh sentences, Vietnam's government appears united on the country's economic development, which bodes well for its capital markets and expanding economy.

Vietnam's capital markets, particularly equities, are driven by local investors who account for more than 90% of the daily trading volumes and own more than 80% of the stocks listed on the Ho Chi Minh Stock Exchange ("HOSE"). Vietnam is still part of the frontier investing world and makes up 30% of the MSCI frontier index. This year foreign investors have been net-sellers of Vietnamese equities, but domestic investor interest remains high, accounting for the market's 10% rise in value. The 'upgrade' of the market to Emerging, or Secondary Emerging, is still some way off, despite several positive steps being made. An upgrade decision by one of the agencies could happen in 2025, but 2026 is more likely. When this eventually happens, we anticipate the upgrade to be a catalyst for renewed foreign investor interest, thereby increasing market liquidity and potentially re-rating some leading companies. More information can be found in the Investment Manager's report, and an article on the topic was included in the Interim Report earlier this year.

Over the past twelve months there has been a notable increase in interest in the Fund, as well as a considerable increase in daily liquidity in the Company's shares. The Investment Manager, along with our Broker and distribution partners, has conducted an extensive marketing campaign, hosting several in-person investor meetings across the British Isles, as well as several online webinars and roundtables. We are thrilled that the Company became a member of the FTSE All Share and FTSE Small Company indices on 25 June 2024. This should help sustain attractive levels of liquidity in the Company's shares. We also have a balanced shareholder register and are pleased to welcome new investors many of whom purchased the shares through leading UK wealth management platforms.

Hiroshi Funaki
Chairman
VietNam Holding Limited
1 October 2024

Investment Manager's Report

Vu Quang Thinh CIO and Managing Director

Craig Martin Chairman and Managing Director

This year we celebrate the 18th anniversary of the Company and its listing in London. The Company was first listed on AIM in July 2006 and then moved to the Main Market (previously the Premium segment of the Official List) of the London Stock Exchange in March 2019. In June 2024, the Company joined the FTSE All Share Index. It has been quite an adventure. As the Chairman of VNH noted in his letter, liquidity in the Company's shares has increased significantly, the discount to Net Asset Value has decreased substantially, and the Company has received several awards for its long-term performance. We are delighted with the recognition that we have received from Citywire and the UK Investor Magazine for being the best single-country emerging market fund. We are also proud of the fact that we received top marks from Citywire in their inaugural ranking for closed-end fund managers: we are the only manager to be rated AAA in the Equity – Country Specialist Asia Pacific – ex Japan sector.

Macro

Vietnam's key themes of industrialisation, urbanisation and domestic consumption are all intact and rising, with GDP growth for the full year expected to be 6%, its impressive multi-decade average.

A continuous easing of monetary and fiscal policy has fuelled growth, but two headwinds remain: the slow recovery of the property sector and a weakening local currency. The overall expansion in the economy has been buoyed by record levels of Foreign Direct Investment ("FDI") (USD 10.8bn disbursed in first half of 2024), and strong growth in exports (+14.5% YoY for the first half of 2024). Imports have also increased, particularly those from China. However, these are the results of manufacturing expansion by importing more raw materials and semi-finished goods, which have helped lift the manufacturing PMI level to a near-record high level of 54.7. Overall, the first half of 2024 saw a USD 11.6bn trade surplus compared to a record full-year surplus of USD 28bn in 2023. The high levels of trade surplus and record levels of FDI have helped offset the weakening local currency and allowed the State Bank to sell around USD 6.4bn to provide more stability to the Vietnam Dong, which depreciated by 4.6% in the first half of 2024.

Performance

As stated in the interim report as of 31 December 2023, the NAV per share increased by 8% during the first half of the financial year, while the Vietnam All Share Index ("VNAS") increased by 3.2%. The second half had a 14.4% rise in NAV per share versus an 8.1% increase in the VNAS. At 30 June 2024, the NAV per share rose by 23.6% for the full-financial year versus a 9.5% increase in the VNAS. The Company continues to outperform its peers and has outperformed the VNAS on a one, three, five, ten, and 15-year basis. The two other London-listed Vietnam peers, VOF and VEIL, were up by 11.5% and 6.1% respectively during the corresponding period. The Company's share price rose by 43% during the financial year due to a combination of a strong NAV increase and significant narrowing in the discount between the share price and the NAV. Since the adoption of the Share Redemption feature, the Company's discount has, on average, remained below 5%. This compares to the high-teens level of discounts for peers.

Portfolio

The portfolio remains concentrated, with the top ten holdings accounting for 63.2% of the portfolio's Net Asset Value (see table on page 11). This is the direct result of our active portfolio construction. Initial position sizing is based on our conviction-led approach to investment decision making. We often start a new position at a modest conviction level of roughly 2% of NAV, increasing to a mid-level of 4-6% and then high conviction level of 8% when we become more comfortable with the company and more assured about the sustainability of its strategy. The portfolio is comprised of 24 companies, all of which have been thoroughly researched. At any one time there are another 12-20 companies that we monitor closely and review on a regular basis, looking for catalysts for new growth. We also research promising newer companies, albeit our investment bar is extremely high, as we seek companies with acceptable valuations, strong growth prospects and a desire to engage with us on a journey of improving governance, investor relations and sustainability reporting. The portfolio valuation is approximately 12.9x PE for 2025, which is reasonable given the expected Earnings Per Share ("EPS") growth of 20% for 2025.

Positioning and Core Themes

Our main investment approach remains focused on industrialisation (best-in-class manufacturers, international logistics, digitalisation); urbanisation (purposeful real estate, transportation, clean energy, and clean water); and domestic consumption and its enablers (sustainable retail, domestic logistics, products, and finance). These themes are increasingly interconnected, as industrialisation and urbanisation continue to drive robust GDP growth while digitalisation boosts domestic consumption, which is also supported by the ongoing modernisation of the country's banking sector.

Industrialisation

Over the last thirty years, Vietnam has emerged as a key manufacturing hub for a wide range of goods. Foreign direct investment in the industrial and manufacturing-for-export sectors has propelled the country's GDP growth. The 'Made-in-Vietnam' trend has been accelerated by the 'China-plus-one' strategy of global manufacturers, seeking to de-risk their supply chains. The war in Ukraine and economic isolation of Russia have also presented challenges causing companies to spread their production more evenly around the world. Some commentators have called this the beginning of the end of globalisation, but what is perhaps more likely is the continuation of supply chain restructuring. Some companies will aim to re-shore manufacturing to their native country, while others near-shore (e.g., expand production in Mexico for North American markets) or friend-shore. The latter category is where Vietnam is likely to attract the most increased interest.

Although in the past we have invested in manufacturers, such as garment companies and seafood producers, we have chosen to get most of our exposure to these themes over the past few years through business-to-business 'linkages' mostly through industrial parks and logistic companies. These typically have a higher quality of earnings, higher return on equity, and less risk than the individual exporters. A core holding in this area is the leading port operations and logistics company, Gemadept ("GMD"), which at 6.4% of NAV is the third largest position in the portfolio. Gemadept also owns a 30% stake in a leading air-cargo company, Saigon Air Cargo ("SCS"), which is also a portfolio company. In addition to premium consumer products, high value light electronics, semi-conductors and 'just-in-time' components are often transported by air, and as the US Chip Act makes deeper impacts over the coming years, favouring friendly shores such as Vietnam, the country's air cargo services will be in even greater demand.

Urbanisation

Vietnam's urbanisation level was approximately 37% in 2022 and has risen to about 40% in 2024. These were the levels reached by China in 2000, before doubling over the next twenty years. The government forecasts that Vietnam's urban population is expected to exceed 50% by 2030. In a previous annual report, we discussed the multiplier effect of investments in domestic infrastructure, citing the May 2022 opening of a new bridge across Ho Chi Minh City's Saigon River that now connects the down-town District 1 hub to the Thu Thiem peninsular, a region already demarcated as a new 'metropolis'. The delayed but hopefully soon-to-be-finished metro line in Ho Chi Minh City will eventually transform the commute from outlying districts to the city centre. Its tracks, tunnels and elevated sections are all in place, with the stations mostly complete. When finished, the new international airport at Long Thanh will also create new areas for residential and light industrial uses.

While the potential for urban growth remains intact, as Vietnam will need to build millions of new houses over the next two decades, the real estate sector has been in the doldrums for much of this year. We had a 15% exposure to the real-estate sector at the third quarter of 2022 but were quick to reduce this in the face of weakening near-term prospects and, indeed, managed to escape the worst of the turmoil that hit some companies in the sector. At the end of 2023, our exposure to real estate was 9.4%, and was reduced to 7.8% at 30 June 2024, with the majority of this going to the industrial park sector rather than the residential market. For example, we have 5.3% of NAV in IDICO, a leading industrial park developer. We are confident that some of the key names in the residential sector will survive and thrive. We see signs of recovery and evidence of end-user demand, but some developers have struggled to get projects approved and refinance their bonds and debt at maturity, while some also have overhanging issues unrelated to the core real estate activities.

Domestic Consumerism

We believe that Vietnam's economy is at an inflection point, and that the consumer sector will grow rapidly in the next years to come. Vietnam's GDP has doubled over the past ten years, and its per capita GDP places the country in the 'upper middle income' economic bracket. The government's ambition is for the country to reach the 'high income' status by 2045. Since the pandemic, higher interest rates, subdued manufacturing and rising costs dampened consumer demand in several areas, and we adjusted our portfolios accordingly. Starting from the fourth quarter of 2023, we began adding back to the sector again, as our research indicates improved trading prospects. At the end of June 2023, the sector allocation had dropped to 7.8%, with omni-channel champion Mobileworld ("MWG") at 2.7%. As of June 2024, the sector allocation increased to 12.7%, with MWG returning to the number two portfolio position at 6.6%.

Banks and financial sector

VNH's allocation to banks was 26% at 30 June 2024, representing an underweight position relative to the index. Key portfolio names in the portfolio include Techcombank, 5.3% NAV, Asia Commercial Bank, 5.0% NAV, MB Bank, 4.8% NAV, and VP Bank, 4.6% NAV. In addition to banks, we have a 6.3% allocation to several brokerages. This is a sector we have made strong gains in historically, and we have never been afraid to take profits. We believe that the sector will benefit from returning domestic investor appetite, particularly as domestic interest rates on bank deposits fall.

Attribution

Stock selection and portfolio construction have delivered a strong outperformance against the broader market. The key stock performance of the top five holdings is detailed on page 12, but it

Investment Manager's Report (continued)

Attribution (continued)

is worth highlighting the performance of our portfolio's strongest conviction position, FPT (14.7% of NAV). This 'overweight' position has contributed more than half of the portfolio's outperformance. FPT's share price rose by 31.5% in the first half of the financial year and then a further 57.2% in the second half. The rapid rise in share price over the past six months was driven in part by the company's strong growth in digitalisation business internationally but also by investor enthusiasm about potential partnerships with big global players such as NVIDIA. This excitement is fuelled by the solid performance from its core business segments, which have contributed to a 21% year-on-year ("YoY") increase in revenues for the past six months ending 30 June 2024 and a 22% rise in profits over the same period. FPT traded at around 10x PE six years ago and is now trading at 24x. Its re-rating was achieved in part by the spinoff in 2018 of its electronics retail business, FRT, which was also up 58% in the first half of the year. FPT has been a long-term portfolio hold, returning a 10x gain on our initial investment cost.

Liquidity

The Vietnam stock market has grown dramatically over its 24-year history. From only a handful of listed companies two decades ago, there are now over 1600 public companies, and fifty companies with more than USD 1bn in market capitalisation. Portfolio liquidity is robust, and we estimate that over 95% of the portfolio could be liquidated in under 30 days. During the past six months, average daily liquidity has touched close to the equivalent of USD 1bn, which is five times the pre-pandemic level. Vietnam's domestic retail investor base is the dominant driving force in the country's stock market: there are now eight million domestic share trading accounts, almost four times the level in 2018. Foreign investors hold only approximately 15% of the stock market, and over the past six months, foreigners have been net-selling Vietnam listed equities to an amount of USD 2bn.

The portfolio's size and nimbleness, as per our style of investment management, allows us to navigate across a range of company sizes, which we believe has contributed to the outperformance of the Company versus the index and our peers. We have been able to take profit in sectors that have surged and move swiftly as market forces and economic mood change.

Although the Fund's investment policy allows up to 20% of the assets to be invested in unlisted or pre-IPO 'private equity' type deals, the Fund is currently only invested in listed securities, and all are valued as 'Level 1'. See *Valuation* in the *notes to the Financial Statements* page 60. As of 30 June 2024, the portfolio has approximately 2.1% of NAV in cash.

Responsible investing

The Company has been a signatory of the United Nations Principles for Responsible Investing ("PRI") since 2009. The Fund was the first fund in Vietnam to adopt the principles, and since 2012, environmental, social and governance ("ESG") principles have been fully integrated into the Fund's investment process and engagement strategy. Our authentic approach has helped us receive top scores from the PRI in its latest transparency report. There is much discussion about 'greenwashing' globally, and we believe our engagement approach is robust and remains relevant in Vietnam. As part of the investment process ESG issues are integrated into the initial screening, due diligence, investment decision and investment monitoring phases. We have developed a proprietary ESG scoring matrix, which we apply to each company. We do not expect perfect scores at the beginning, but rather seek to identify areas for improvement that can be addressed in a meaningful way during our investment horizon. We use this to focus our engagement with each portfolio company in face-to-face meetings. For several years we have been conducting annual carbon footprint assessments of our portfolio, and we encourage our portfolio companies to do more on reporting their own carbon and GHG emissions and to evaluate their contribution to the UN's 17 Sustainable Development Goals ("SDGs"). Since 2021, we have been an active member of the Asia Investor Group on Climate Change and have optimised this experience by assisting our portfolio companies to address climate transition risks and their own planning for net-zero. We report on these efforts in greater detail in the *Sustainability Report*.

Outlook

In addition to increased foreign exchange risk, which is already factored into the current Net Asset Value of the portfolio, political risk has become a greater concern over the past twelve months. Evolving political risk is, of course, a global phenomenon, and Vietnam is no exception. Over the past year or so, there has been a significant push against corruption in Vietnam, a 'blazing furnace' established by General Secretary Nguyen Phu Trong targeted errant business-people and government officials, resulting in several resignations. For much of the year, there were also speculations about Trong's deteriorating health, and he died on 19 July 2024, just a day after receiving a Gold Medal for service to the nation. The Politburo requested that President To Lam assume some of Trong's duties on an interim basis, and he was unanimously elected as General Secretary on 3 August 2024.

We expect to see the government continue to pursue an open policy to economic development. Vietnam has entered into 16 free trade agreements over the past two decades and has an ambition to be a key manufacturing hub. This country continues to attract record levels of FDI which will further boost export growth. The government policies are pro-business, and pro-capital markets.

The Prime Minister and the Ministry of Finance want to see continued development of the stock and bond markets, with an ambition to increase the size of the stock market and bond market close to an equivalent size of 100 % and 50% of GDP respectively by 2025. The State Securities Commission is inviting feedback from market participants on a recently published final draft circular proposing to remove the pre-funding requirement on stock trading accounts. They hope to have this ready by September, ahead of the FTSE Russell review on Vietnam's stock market status. Vietnam is on the FTSE Russell Secondary Emerging Market watchlist, and an upgrade would be very welcome. In the Interim Report this year we included a more detailed article on the benefits of a market upgrade, but in simple terms Vietnam would go from being part of a USD 90bn Frontier Market universe, to part of a USD 7-8 trillion-dollar emerging market universe. The World Bank estimates this could add a further USD 20-30bn of net indirect capital flow within three years.

Vietnam's political structure can be perplexing for foreign investors, and its consensus-based approach to policy execution can sometimes result in measured (slow) decision making. In previous annual reports, we discussed the problems in meeting budgeted levels of government infrastructure spending. This was under-budget in 2022 and 2023, most likely due to certain officials' reluctance to make difficult decisions. It is encouraging to see a five percent increase in public expenditure on new infrastructure year-to-date, with USD 10bn spent in the first six months of 2024, and a USD 28bn target for the full calendar year.

Visitors travelling by air to Ho Chi Minh City will have undoubtedly experienced the queues upon arrival (and departure). This is the result of a spike in international arrivals, which have already returned to pre-Covid levels, combined with increased domestic travel, putting strain on the airport, which is already overcapacity. The government has been putting pressure on authorities to speed up the construction of the new international airport at Long Thanh, roughly 50km away from Ho Chi Minh City's District 1. It now appears that the initial phase of the airport will be completed in 2026, six months ahead of schedule. Before that, the third terminal at the existing Tan Son Nhat International Airport is due to be completed in the first half of 2025.

Recent developments in the power sector bode well for the rising adoption of renewable energy. Over the past decade, installed solar and wind in Vietnam has gone from almost zero to 20 Gigawatts. This was accomplished despite a relatively weak Power Purchase Agreement ("PPA") framework and a single monopoly buyer, the state-owned utility EVN. The new Decree 80, passed on 11 July, now allows for the direct purchase of rooftop generated solar energy. This is essentially a soft de-regulation of the energy market. This is positive for growth in solar power in a country that has high solar irradiance. The government is also planning longer-term initiatives to tap into the country's significant wind power potential through offshore, nearshore and onshore wind farms.

As with the rest of the world, the rapid technological changes and digitalisation initiatives in Vietnam require vast amounts of processing power and storage. In another encouraging development, data centres can now be wholly owned by foreign investors under new legislation enacted in November 2023, which came into recent effect. The growth of domestic data centres is a key aspect of Vietnam's growing digital transformation, and FPT should also benefit as a technology enabler.

So, the outlook remains positive. Despite considerable domestic political changes, we do not see any change to the momentum related to policy. We also expect foreign exchange risks to reduce when the US Fed starts to lower interest rates, and the interest rate differential between the US and Vietnam (and other Asian countries) softens. The stock market growth over the past year has been domestically driven. Once the year of extraordinary global political turbulence is past, and markets are reassessed for relative attractiveness, we believe emerging markets and Vietnam in particular (albeit officially a frontier market) will rally further.

Investment Manager's Report (continued)

Top 10 Companies by NAV as at 30 June 2024 (and as at 30 June 2023)

Top 10 companies as at 30 June 2024	Sector	% NAV
FPT Corporation	Telecommunications	14.7%
Mobile World Investment Corporation	Retail	6.6%
Gemadept Corporation	Industrial Goods and Services	6.4%
PV Technical Services JSC	Oil and Gas	6.1%
Techcombank	Banks	5.3%
IDICO Corp JSC	Real Estate	5.3%
Asia Commercial Bank	Banks	5.0%
Military Commercial Bank JSC	Banks	4.8%
Vietnam Prosperity JSC Bank	Banks	4.6%
Hoa Phat Group JSC	Industrial Goods and Services	4.4%
Total		**63.2%**

Top 10 companies as at 30 June 2023	Sector	% NAV
FPT Corporation	Telecommunications	12.6%
Sacombank	Banks	10.1%
PV Technical Services JSC	Oil and Gas	6.9%
Military Commercial Bank JSC	Banks	5.7%
Vietcombank	Banks	5.7%
Gemadept Corporation	Industrial Goods and Services	5.4%
Phu Nhuan Jewelry JSC	Retail	5.1%
IDICO Corporation JSC	Real Estate	4.0%
Ho Chi Minh City Securities	Financial Services	3.6%
Asia Commercial Bank	Banks	3.3%
Total		**62.4%**

Dynam Capital, Ltd
1 October 2024

Top Five Portfolio Companies

FPT Corporation ("FPT")

As at 30 June 2024

VietNam Holding's investment

Date of first investment	10 December 2012
Ownership	0.3%
Percentage of NAV	14.7%
Internal rate of return (annualised)	27.9%

Share information

Stock Exchange	HOSE
Date of listing	13 December 2006
Market capitalisation (USD million)	7,489
Free float	85.9%
Foreign ownership	40.5%

Financial indicators (as at 31 December)	**2023**	**2022**
Equity (USD million)	1,175.9	1,075.1
Revenue (USD million)	2,067.1	1,866.0
EBIT (USD million)	332.0	288.1
NPAT (USD million)	306.0	275.2
Diluted EPS (VND)	4,661	3,847
Revenue growth	10.8%	21.7%
NPAT growth	11.2%	19.7%
Gross margin	38.6%	39.0%
EBIT margin	16.1%	15.4%
ROE	28.2%	27.8%
D/E	0.47	0.49

About the Company

Founded in 1988, FPT is Vietnam's leading technology firm, offering a comprehensive range of services including software development, IT services, and telecommunications. The company is also a well-known distributor and retailer of IT products and a key player in the education sector, with programs spanning multiple levels for 145,000 students nationwide.

FPT currently operates across more than 30 countries and territories. This extensive international network enables FPT to deliver diverse IT services and solutions globally, serving clients in sectors such as automotive, finance, and healthcare. The company has successfully transformed itself from an IT outsourcing service provider to an end-to-end digital transformation partner. In 2023, revenue from digital transformation services reached a record USD 410 million. Additionally, FPT provides broadband internet to four million subscribers and owns telecommunications infrastructure, including a main North-South link, recently upgraded from copper wires to fiber-optic cables.

As of 31 December 2023, FPT employed 48,162 individuals, including 32,392 engineers and technology experts.

Recent Developments

FPT delivered a strong financial performance in 2023, with revenue and profit after tax of USD 2,067 million and USD 306 million, respectively, reflecting a 19.6% and 20.0% year-on-year growth in local currency. Global IT Services was the primary growth driver, with a 28.4% year-on-year increase. Notably, for the first time, FPT surpassed USD 1 billion in revenue from IT services in foreign markets, showcasing the competitiveness of Vietnamese businesses on the global stage. FPT continues to ascend the technology value chain by prioritising the development of AI, Cloud, Big Data, and specialised domains with high growth potential, such as healthcare, finance, and automotive. Revenue from digital transformation services, which accounted for nearly half of the total revenue from foreign markets, underscores this strategic shift.

The Education segment also demonstrated robust growth, with revenue increasing by 31% in local currency to reach USD 242 million. In 2023, FPT Education expanded its network of training facilities, establishing a presence in over 20 provinces and cities nationwide.

Sustainability Strategy

FPT has developed a sustainable development strategy that balances three key factors: economic growth, community support, and environmental protection. The company's objectives and activities are aligned with Vietnam's action plan to implement the 2030 commitments for sustainable development, as well as the GRI Sustainability Reporting Standards.

ESG Achievements

In 2023, FPT made significant progress toward Sustainable Development Goal 4 ("SDG 4") – Quality Education, evidenced by its ranking of 201-300 in the global university rankings for sustainable development, as published by the Times Higher Education ("THE") Impact Rankings. The company actively engages in sustainability and ESG rating platforms to strengthen its ESG strategy and track progress. FPT received a Silver rating on its ESG performance according to the EcoVadis survey and was awarded the "Best Country Award for Overall CSR Excellence" and the "Best Community Programme Award" at the Global CSR & ESG Summit and Awards 2023.

In terms of corporate governance, FPT has made significant efforts to align with international standards. The company was recognised as one of the Top 10 Large-Cap Enterprises with the Best Corporate Governance in the 2023 Vietnam Listed Companies Awards, organised by the Ho Chi Minh City Stock Exchange ("HoSE"), Hanoi Stock Exchange, and the Investment Newspaper.

ESG Challenges

While FPT has measured and disclosed its greenhouse gas ("GHG") emissions for Scope 1 and Scope 2, the company has not yet reported its Scope 3 emissions. Given FPT's global expansion, it is increasingly important for the company to measure indirect emissions throughout its supply chain to develop a comprehensive decarbonisation plan that addresses all three scopes of emissions.

Top Five Portfolio Companies (continued)

Mobile World Investment Corporation ("MWG")

As at 30 June 2024

VietNam Holding's investment

Date of first investment	11 September 2017
Ownership	0.3%
Percentage of NAV	6.6%
Internal rate of return (annualised)	7.4%

Share information

Stock Exchange	HOSE
Date of listing	14 July 2014
Market capitalisation (USD million)	3,585
Free float	77.1%
Foreign ownership	47.5%

Financial indicators (as at 31 December)	**2023**	**2022**
Equity (USD million)	917.7	1,014.7
Revenue (USD million)	4,646.6	5,656.3
EBIT (USD million)	17.1	281.7
NPAT (USD million)	6.6	173.9
Diluted EPS (VND)	115	2,810
Revenue growth	-17.9%	7.0%
NPAT growth	-96.2%	-17.5%
Gross margin	19.0%	23.1%
EBIT margin	0.4%	5.0%
ROE	0.7%	18.5%
D/E	1.08	0.69

About the Company

Founded in 2004 as a single store selling mobile phones, MWG has grown to become Vietnam's largest retailer by revenue and physical store count, now exceeding 5,000 locations. MWG operates under several brands, offering a wide range of merchandise, including consumer electronics, groceries, and pharmaceuticals. As of the end of 2023, the company employed over 60,000 people.

As a modern-trade consolidator, MWG has revolutionised the Vietnamese retail landscape by continuously expanding its footprint, exploring new formats, and diversifying product offerings to meet evolving consumer needs. MWG now commands over 50% market share in mobile phones and consumer electronics, while its grocery chain 'Bach Hoa Xanh' has recently become the market leader in terms of revenue.

In addition to its core brick-and-mortar business, MWG has been enhancing its e-commerce capabilities to respond to the growing trend of online shopping in Vietnam. The company has invested significantly in its online platforms and logistics infrastructure to better serve customers and compete with other major e-commerce players in the market. Online revenue accounted for 14% of total revenue in 2023, with a transaction value of USD 700 million, positioning MWG among the top e-commerce players in Vietnam. The company's omni-channel approach, supported by its extensive store network, fast delivery, and customer-centric culture, is a key competitive advantage.

Recent Developments

2023 was one of the most challenging years for MWG, with revenue declining by 18% year-on-year to USD 4.7 billion, and net profit dropping by 96% to just USD 6.6 million, marking the lowest earnings since 2013. This downturn was driven by a challenging economic environment and reduced demand for non-essential goods, including electronics and household appliances, which are core products for MWG. Additionally, intensified competition in the ICT retail market led to a prolonged price war, further pressuring MWG's pricing strategies and profit margins.

However, there are signs of recovery. For 2024, management has announced an ambitious target, projecting a 14-fold increase in after-tax profit to USD 96 million and a modest 6% growth in revenue to USD 5 billion. This plan reflects MWG's strategy to rebound from its 2023 performance by restructuring and enhancing core activities. The ICT business has already shown positive growth and improved margins as the price war among retailers has ended and domestic consumption gradually recovers. Additionally, the grocery chain 'Bach Hoa Xanh,' which incurred a loss of USD 46 million in 2023, is expected to turn profitable in 2024, driven by steady improvements in revenue per store and operational efficiency. 'Bach Hoa Xanh' is anticipated to be a key growth driver in the coming years, as ongoing urbanisation shifts consumer buying behavior from traditional wet markets to modern retail outlets.

Sustainability Strategy

Mobile World Investment Corporation ("MWG") has implemented several key sustainability strategies to enhance its long-term growth and operational efficiency. These include community engagement initiatives, such as promoting eco-friendly products and practices, and Circular Economy Initiatives, which aim to reduce plastic waste and promote recycling. MWG's various brands have undertaken projects to collect used batteries, recycle advertising materials into organic fertilisers, and contribute to a circular economy. The company prioritises its employees, followed by customers and then shareholders. The performance-linked ESOP (Employee Stock Ownership Plan) programs have been instrumental in retaining talented individuals within the company and motivating top managers to explore new market segments.

ESG Achievements

Over the past two years, MWG has made significant progress in ESG (Environmental, Social, and Governance) implementation and has become a leader in ESG among Vietnamese public companies. In terms of governance, MWG has established a dedicated ESG committee within the Board and hired a full-time ESG officer. The company has also improved its ESG communications by adopting GRI (Global Reporting Initiative) standards in its sustainability report, incorporating more quantitative social and environmental data, and publishing a monthly ESG newsletter to communicate its ESG/CSR activities to investors.

ESG Challenges

As consumer awareness of sustainable and healthier lifestyles continues to grow, integrating ESG into its business model presents both challenges and opportunities for MWG. Successfully addressing these challenges will be crucial for the company to enhance its competitiveness and distinguish itself from other retailers in the country.

Gemadept Corporation ("GMD")

As at 30 June 2024

VietNam Holding's investment

Date of first investment	16 August 2019
Ownership	0.9%
Percentage of NAV	6.4%
Internal rate of return (annualised)	29.5%

Share information

Stock Exchange	HOSE
Date of listing	06 May 2002
Market capitalisation (USD million)	1,013
Free float	93.7%
Foreign ownership	47.8%

Financial indicators (as at 31 December)	**2023**	**2022**
Equity (USD million)	382.3	337.0
Revenue (USD million)	151.1	165.3
EBIT (USD million)	43.9	44.6
NPAT (USD million)	99.5	49.2
Diluted EPS (VND)	7,207	3,034
Revenue growth	-8.6%	19.9%
NPAT growth	102.2%	59.0%
Gross margin	46.2%	44.1%
EBIT margin	29.0%	27.0%
ROE	28.7%	15.5%
D/E	0.20	0.26

About the Company

Established in 1993 through the privatisation of a state-owned company, Gemadept ("GMD") began as a maritime agent and freight forwarder. After 31 years of operation, the company has grown into one of the most integrated port and logistics providers in Vietnam. As a pioneer in smart and sustainable port-logistics models, GMD operates a network of five ports and logistics facilities, providing 3PL (Third-Party Logistics) services that span from sea to air, serving both domestic and multinational corporations.

GMD's seaports are strategically located in two primary zones: the Hai Phong port zone in the North and the Cai Mep-Thi Vai port zone in the South. In the North, GMD owns Nam Dinh Vu port, the largest port in the region, with a designed capacity of 1,000,000 Twenty-foot Equivalent Units ("TEUs") per annum. In the South, GMD owns its first deep-water port, Gemalink, which has a designed capacity of 1,500,000 TEUs for Phase 1. The commencement of Gemalink in 2021 marked a significant turning point for GMD, transforming it into a deep-water port operator expected to play an increasingly important role in regional trade flows within Southeast Asia.

Recent Developments

In 2023 and Q1 2024, GMD strategically divested its Nam Hai Dinh Vu and Nam Hai ports due to their limitations in handling larger vessels. This decisive move allowed GMD to rapidly achieve full capacity utilisation at Nam Dinh Vu port's Phase 2, which began operations in Q1 2023, with plans to start Phase 3 in 2024. Once all three phases are operational, Nam Dinh Vu will become the largest port in the North, with a total capacity of 2.0 million TEUs.

Gemalink port, the largest deep-water port in its zone, is expected to be the key growth driver for GMD over the next four years. According to the Vietnam Seaports Association, Gemalink has captured a 27% market share of container throughput in the Cai Mep-Thi Vai port area within just three years of operation. Gemalink is well-positioned to capitalise on the structural shift of cargo flows from regional ports to the Cai Mep-Thi Vai port area in Southern Vietnam. Benefiting from Vietnam's impressive trade growth, the Cai Mep-Thi Vai port area, with a capacity of 9.1 million TEUs per annum, has witnessed average growth of 25-30% over the last five years. Gemalink's Phase 1 has already reached 90% utilisation, creating momentum to begin Phase 2 in Q4 2024.

Upon completion of both phases, Gemalink will become the largest deep-sea port in the Cai Mep-Thi Vai cluster, with a total capacity of up to 3.0 million TEUs.

Sustainability Strategy

As a leading nationwide corporation in port operations and logistics, GMD is committed to sustainable development goals closely aligned with its production and business activities. The company's leadership and employees are dedicated to creating a smarter and greener future for the community. GMD continues to invest in digital transformation projects, applying advanced technologies such as Smart Port, Smart Gate, and River Gate to automate and optimise operational processes, thereby increasing productivity, saving time and costs, and conserving energy. Additionally, GMD is utilising renewable energy for most operations at its ports and distribution centers, while also implementing green projects and initiatives such as mangrove reforestation, developing green systems at ports, and raising environmental awareness among employees and local communities.

ESG Achievements

Following the establishment of an ESG working group led by GMD's CEO in 2022, the company made significant progress in ESG implementation in 2023. GMD measured and disclosed GHG emissions for its three ports in accordance with ISO 14064 standards. The company achieved the national green-port standard for Dung Quat Port and began replicating the green port model at its other three main ports. GMD's focus on ESG integration has opened up more financial opportunities, including signing a Sustainability Linked Loan Agreement with HSBC in May 2024.

ESG Challenges

GMD has not yet disclosed its total carbon emissions. Additionally, it will require time and significant effort to build human capacity and obtain international certifications for its entire port and logistics system. GMD also owns a non-core rubber plantation project in Cambodia, which presents a potential ESG concern. However, senior management has recently reaffirmed their intention to divest this project in 2024.

Top Five Portfolio Companies (continued)

PV Technical Services JSC ("PVS")

As at 30 June 2024

VietNam Holding's investment

Date of first investment	5 September 2022
Ownership	1.1%
Percentage of NAV	6.1%
Internal rate of return (annualised)	26.3%

Share information

Stock Exchange	HNX
Date of listing	20 September 2007
Market capitalisation (USD million)	762
Free float	48.4%
Foreign ownership	20.8%

Financial indicators (as at 31 December)	**2023**	**2022**
Equity (USD million)	532.1	553.5
Revenue (USD million)	761.1	693.9
EBIT (USD million)	25.1	32.4
NPAT (USD million)	41.6	44.5
Diluted EPS (VND)	1,579	1,438
Revenue growth	9.7%	13.2%
NPAT growth	-6.5%	38.2%
Gross margin	5.4%	6.2%
EBIT margin	3.3%	4.7%
ROE	8.0%	8.2%
D/E	0.13	0.11

About the Company

PVS, a 51%-owned subsidiary of PetroVietnam ("PVN"), provides an extensive range of technical services for the oil & gas, energy, and industrial sectors. The company holds a majority market share in offshore support vessels (OSV/ship segment), mechanics & construction ("M&C"), supply base (port segment), and floating oil storage ("FSO/FPSO"), with a fleet of 18 vessels. PVS operates not only in Vietnam but also in international markets, including Taiwan, Malaysia, Singapore, and Poland.

Recent Developments

As one of the key service providers in the oil & gas sector, PVS is poised to be a major beneficiary of the Block B project, a mega-project with a capital expenditure of USD 12 billion. Block B, estimated to hold 107 bcm in gas reserves, will guarantee Vietnam's gas supply for power generation and is expected to contribute USD 19 billion to the State budget over the project's 20-year lifespan. The commencement of this significant project, Block B – O Mon, is expected to drive growth across Vietnam's oil and gas value chain, strengthening the industry's fundamentals and contributing to PVS's earnings growth in the coming years.

In addition to its operations in oil & gas, PVS is strategically positioned to benefit from the global energy transition towards renewables, particularly in offshore wind generation. With its extensive experience in offshore technical services, PVS is expected to play a pivotal role in the development of offshore wind generation in Vietnam and the wider region.

In August 2022, PVS's subsidiary, PTSC M&C, signed a Memorandum of Understanding ("MoU") with Ørsted, the world's largest developer of offshore wind power, to collaborate on offshore wind projects in Vietnam. Ørsted currently has a total installed capacity of 7.5 GW, with 11.8 GW either under construction or awarded worldwide. This MoU is anticipated to facilitate PTSC M&C's entry into the offshore wind power market and strengthen its capacity in this emerging field. PVS has already secured USD 1.5 billion in offshore wind backlogs and is cooperating with major global players, expanding its reach to overseas markets such as Taiwan and Singapore. This lays a robust foundation for PVS's next phase of growth.

Sustainability Strategy

Although primarily classified within the oil and gas sector, PVS is actively transitioning its business towards supporting offshore wind power projects. The company has signed MoUs with global partners to develop both domestic and international projects. PVS is leveraging its fleet of specialised offshore vessels to support the construction, operation, and maintenance of nearshore wind farms in Ben Tre, Tra Vinh, and Ca Mau provinces, as well as offshore wind farms in Binh Thuan province. Additionally, the company has secured two overseas contracts with a total value of USD 350 million.

ESG Achievements

PVS is committed to enhancing its governance structure and has taken proactive steps by enrolling its CEO and Board Members in corporate governance courses organised by the Vietnam Institute of Directors ("VIOD"). The company's Health, Safety, and Environmental ("HSE") Management System meets ISO standards and is certified by the BSI Group. PVS regularly conducts HSE training for its employees to ensure adherence to the highest standards. In 2023, PVS initiated a greenhouse gas ("GHG") emission inventory, marking a significant step in its sustainability journey.

ESG Challenges

To achieve its objective of becoming a leading service solution provider in the energy sector at both regional and global levels, PVS must develop a comprehensive strategy and action plan to align its ESG practices with international standards. While the company has made progress in enhancing its health, safety, and environmental management systems, there is a need for PVS to improve its ESG communications and reporting to investors and other relevant stakeholders.

Techcombank ("TCB")

As at 30 June 2024

VietNam Holding's investment

Date of first investment	21 March 2024
Ownership	0.1%
Percentage of NAV	5.3%
Internal rate of return (annualised)	-14.9%

Share information

Stock Exchange	HOSE
Date of listing	4 June 2018
Market capitalisation (USD million)	6,463.7
Free float	68.2%
Foreign ownership	11.07%

Financial indicators (as at 31 December)	**2023**	**2022**
Equity (USD million)	1,424.4	1,535.1
TOI (USD million)	1,573.8	1,718.3
NPAT (USD million)	714.6	866.5
EPS (VND)	5,104	5,725
TOI growth	-8.4%	7.8%
NPAT growth	-17.5%	9.5%
ROA	2.4%	3.2%
ROE	14.8%	19.6%
CAR	14.4%	15.2%
NPL	1.2%	0.7%
Equity multiplier	23.4	19.3

About the Company

Established in 1993, TCB is the sixth largest bank in Vietnam by total assets. The bank went public in 2018, listing on the Ho Chi Minh City Stock Exchange. As of 2023, TCB operated a network of 301 branches and transaction offices, with 11,614 employees. The bank held loan and deposit market shares of 3.8% and 3.4%, respectively.

TCB has placed a strong emphasis on investing in data and technology, becoming an industry leader in digital transformation. In 2016, it became the first bank in Vietnam to launch the "E-banking zero fee" program, which accelerated new customer acquisition, significantly reduced operating costs, and resulted in a high Current Account Savings Account ("CASA") ratio.

The bank adopted Basel II in 2019 and implemented Basel III in 2023. Its capital adequacy ratio ("CAR") reached 14.5% in 2023, well above the State Bank of Vietnam's ("SBV") minimum requirement of 8%.

In 2023, TCB was assigned an A+ initial credit rating with a 'Stable' outlook by FiinRatings. The bank also received several prestigious awards, including Best Integrated Corporate Banking Platform Globally and Best Mobile Banking App in Asia Pacific by Global Finance, Best Retail Bank in Vietnam and Best Private Retail Bank in Vietnam by The Asian Banker, Best Bank in Vietnam by Finance Asia, and Best Domestic Bank by Asia Money.

Recent Developments

In recent years, TCB has had significant exposure to the real estate sector, both through major developers and mortgage loans. As a result, its performance was adversely affected when the real estate market cooled in 2023. Net profit after tax ("NPAT") declined by 17.5% year-on-year to USD 714.6 million, although the bank maintained a well-controlled non-performing loan ("NPL") ratio of 1.2%.

To mitigate the impact of the real estate market downturn, TCB management has set a long-term diversification plan to shift focus towards retail and SME customers, beyond real estate. In 2023, loans provided to non-real estate-related sectors for both large corporates and SMEs increased by 60% year-on-year, compared to the bank's total credit growth of 23.3% year-on-year.

Despite tight liquidity conditions in 2023, TCB's total deposits grew by 26.9% year-on-year, while its CASA ratio reached 40%, the highest in the industry. However, the net interest margin ("NIM") narrowed to 4.2% in 2023 from 5.1% the previous year, due to the rising cost of funds.

In the first half of 2024, TCB regained growth momentum, with NPAT increasing by 38.8% year-on-year to USD 493.9 million. This growth was driven by strong loan expansion of 14.2% year-to-date.

Sustainability Strategy

With the vision of "Change banking, Change lives," TCB has committed to create greater value for customers and shareholders by pioneering solutions that meet their needs. The bank's mission is to lead the digital transformation of the financial industry, enabling individuals, businesses, and corporations to progress and thrive sustainably.

ESG Achievements

TCB places a high priority on investor relations ("IR") activities and was recognised with the "IR Award 2023" for being among the "Top 3 Investor Relations Activities selected by Financial Institutions." The bank has also received numerous awards for being one of the best places to work in Vietnam, with approximately 90% satisfaction recorded in its Employee Engagement Survey ("EES") results.

In terms of governance, TCB strengthened its ESG governance framework in 2023 by establishing clear roles and responsibilities for the Board of Directors ("BOD") and CEO in managing and monitoring ESG risks. The bank also created a dedicated sub-committee and appointed a dedicated BOD member for ESG oversight.

At the end of 2023, TCB increased its green credit exposure, reaching USD 547 million—representing 5.2% of its total loan book—distributed across sectors such as sustainable transportation, renewable and clean energy, and other environmentally friendly industries.

ESG Challenges

In terms of governance, TCB faces the challenge of diversifying its Board and management team in terms of gender. Currently, the representation of women in the BOD, Supervisory Board, and Executive team is relatively low at 19%. Additionally, the bank has not yet disclosed its greenhouse gas ("GHG") emissions or adopted the Global Reporting Initiative ("GRI") standards in its sustainability reports.

Sustainability Report

Global context: anti-greenwashing, AI and data-driven ESG strategies

In the evolving landscape of sustainability, 2023 proved to be a pivotal year marked by various advancements in environmental, social, and governance ("ESG") practices. From our perspective, we would highlight three key global trends central to this progression: the intensification of anti-greenwashing efforts, the integration of artificial intelligence ("AI") in ESG reporting, and the widespread adoption of data-driven approaches to sustainability strategies.

Anti-Greenwashing Initiatives:

The credibility of corporate sustainability efforts is under scrutiny as stakeholders demand greater transparency and accountability. Greenwashing, the practice of making misleading or false claims about environmental practices, has become a major concern. The ESG Attitudes Tracker, a survey conducted by the UK-based Association of Investment Companies ("AIC"), showed reduced enthusiasm in ESG investing among private investors from 2021 to 2023. For investors who do not consider ESG factors when investing, the top reason given is that they prioritise financial performance over ESG issues. However, 'not being convinced by ESG claims from asset managers' is a close second, perhaps showing the need for a new labelling regime, and one with clearer standards that investors can rely on. In response, governments and regulatory bodies worldwide have introduced stringent measures to combat greenwashing and eco-related corruption. Enhanced regulations and standards, such as the EU's Corporate Sustainability Reporting Directive ("CSRD") and California's climate disclosure laws, are forcing companies to substantiate their environmental claims with robust, verifiable data. These initiatives are crucial in restoring trust and ensuring that sustainability claims are reflective of genuine environmental impact.[1]

AI-Driven ESG Strategies:

The incorporation of AI technologies into ESG frameworks is revolutionising how organisations approach sustainability. AI's ability to analyse vast amounts of data enables companies to gain deeper insights into their environmental impact, optimise resource use, and predict future sustainability trends. This year, AI has played a critical role in enhancing the accuracy and efficiency of ESG reporting, providing real-time data analytics and enabling predictive modelling. These capabilities are not only improving operational inefficiencies but also helping companies to proactively address potential ESG risks.[2]

Data-Driven Sustainability:

The shift towards data-driven ESG practices marks a significant transformation in how companies manage and report their sustainability efforts. By leveraging advanced data analytics, organisations can track and measure their ESG performance with greater precision. This data-centric approach facilitates better decision-making, ensures compliance with regulatory requirements, and enhances transparency. By integrating comprehensive data analytics, companies can identify areas for improvement, benchmark their performance against industry standards, and communicate their sustainability achievements more effectively to stakeholders. [3]

Vietnam context: brighter prospects for green growth development

The rise of green policy commitments

Vietnam's green policy commitments have progressed significantly over the past three years. The country's ambitious net-zero targets for 2050 could be seen as a marker, highlighting the transformational interventions that are needed to address climate change challenges, including the development of cleaner transportation and energy systems. At the end of 2023, the government unveiled further steps to achieve the nation's net-zero targets. At COP28 in Dubai, Vietnam's Prime Minister Pham Minh Chinh announced a Resource Mobilisation Plan to establish a Just Energy Transition Partnership ("JETP") between Vietnam and the International Partnership Group ("IPG"). The partnership seeks to mobilise an initial USD 15.5bn of public and private finance over the next three to five years to help Vietnam reduce its reliance on coal and transition to renewable sources of energy through a mix of loans, grants, technology transfers, and technical assistance programmes. If the partnership meets its goals, Vietnam will reach its GHG emission targets by 2030 instead of 2035. By relying more on renewable energy, it also could reduce its annual power sector emissions by 30%.

In addition, the National Circular Economy Development Scheme set several ambitious targets, including reducing the intensity of GHGs per its GDP by at least 15% by 2030. Furthermore, the country aims to reuse, recycle, and treat 85% of plastic waste, reducing half its plastic waste in oceans as well the volume of non-biodegradable plastic bags and disposable plastic products in use by 2025. To support this, the Extended Producer Responsibility ("EPR") regulations became effective at the start of 2024. This places responsibility on producers and importers to manage waste associated with the full life cycle of their products.

Since the approval of the National Power Development Plan ("PDP") 8, we have seen the passing of more regulations and decrees to support the development of the renewable energy sector, such as the Decree on Direct Power Purchase Agreements ("DPPA") allowing businesses in Vietnam to purchase electricity directly from private firms producing renewable energy. The scale of the transition needed between 2030 and 2050 to meet the goals and Vietnam's commitment to net-zero emissions by 2050 presents enormous opportunities in the energy sector. For example, energy storage technologies, including lithium batteries, pumped hydropower and heat storage, will need to be developed, as will smart grids to ensure a high level of stability and integration of renewable energy in the power system.

ESG Moving up the Corporate Agenda in Vietnam

Awareness of ESG in Vietnam might have come later than in the US and Europe, but the focus and implementation of practices continue to gain ground. With Vietnam emerging as an important alternative manufacturing base to China, the country's participation in free trade agreements has created opportunities for enterprises to be part of the global supply chain and ESG considerations are prerequisites for many of these deals. For example,

[1] S&P Global 2024; Morrison Foerster 2024
[2] MSCI 2024; MIT Sloan Review 2024
[3] Thompson Reuters 2024

Vietnam's export industries are increasingly influenced by international ESG regulations, particularly from the European Union ("EU"). The EU's Corporate Sustainability Due Diligence Directive and the Carbon Border Adjustment Mechanism ("CBAM") require Vietnamese exporters to adhere to new environmental and social rules. This has forced Vietnamese companies to consider ESG matters more seriously and ensure compliance with international sustainability criteria.

In the financial year, we also observed there was an increased focus on corporate governance, with regulations pushing for greater transparency and accountability in corporate operations. With the support of the State Securities Commission of Vietnam, the revised G20/OECD Principles of Corporate Governance become available in Vietnamese, offering another helpful resource for Vietnamese enterprises to improve their corporate governance practices needed for a just transition towards a sustainable economy.

Another important regulation that enforces Vietnamese enterprises to improve their "social" impacts is the Vietnam's Decree on Personal Data Protection, which became active in July 2023. This new decree marks a significant milestone in Vietnam's commitment to protect personal data and enhance privacy rights in the digital age. It requires companies, especially those that are involved in e-commerce, fintech, healthcare technology, and smart production to develop concrete measures for data collection, processing, transfer and data security to avoid fines and penalties as well as reputational damage.

The Fund's Stewardship Role

As a long-term, responsible investor, ESG integration has always been at the heart of our investment philosophy. With our motto "do more, measure more and report more", we have continuously made progress in our ESG journey. VietNam Holding has been a signatory of the Principles for Responsible Investment ("PRI") since 2009 while the Investment Manager, Dynam Capital also became a signatory in 2022. Our PRI Transparency Report for 2023 received 5-star assessment scores across all modules. In addition, we supported a very successful Vietnam ESG Investor Conference 2024 as a Title Sponsor. We have been proactive in company engagement to improve ESG practices of investee companies, bringing those with exemplary practices into the spotlight.

Identifying climate change implications is a critical global issue that affects all sectors, and we support the efforts of Vietnam's government and business sector to address climate change and its socioeconomic effects. During the financial year, the Investment Manager has been working closely with companies to help them prepare for their ESG and carbon footprint reports. We are pleased to say that the number of portfolio companies reporting their total carbon emissions has increased this year, especially as some decided to do so following our engagement meetings.

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

- Continue to measure and track the portfolio's carbon footprint to identify carbon-intensive sectors, integrate climate risks and opportunities into our broader risk management framework, and identify investment opportunities in low-carbon sectors;
- Improve our climate related disclosures following the guidelines of the Task Force on Climate-related Financial Disclosures; considering disclosures in line with the guidelines of the Task Force on Nature-related Financial Disclosures; and
- Encourage more companies in the portfolio to measure their total carbon emissions and to create a decarbonisation roadmap

VNH's Task Force on TCFD

The Investment Manager engaged VNEEC, a Vietnamese environmental consultant, to estimate total carbon emissions of all listed companies in the VNH portfolio as of 31 December 2023. This was followed by an assessment of the portfolio's climate risks and alignment with the Paris Agreement goals using scenario analysis and the implied temperature rise metric. We also dug deeper into estimating the impact value of companies and industries that are more susceptible to transition risks, according to the assessment report, and integrated that data into our portfolio construction and investment analysis. Our response to the core elements of the TCFD recommendations are summarised in the below table.

Leading Sustainable Governance

VNH's board publicly announced its support of the Paris Agreement and the Task Force on Climate-Related Financial Disclosures in 2021. During the Annual General Meeting in 2021, the Board also endorsed a belief statement for climate, which was later published through media release and the Fund's website.

Additionally, the Company's ESG Committee has been working closely with the Investment Manager to enhance its investment strategy by further incorporating climate related risks and opportunities into the investment process and overall risk management.

Sustainability matters are also incorporated into the reports sent to investors. In addition, board members and directors of the Investment Manager have attended seminars and training in the UK and Asia on climate and sustainability issues and continue to advocate for greater adherence and collaboration. The Investment Manager promotes and supports climate initiatives through industry bodies, such as the AIC, the Singapore Institute of Directors, AIGCC, and the Vietnam Institute of Directors ("VIOD"), which is a member of the ASEAN Network for Climate Governance.

Strategy for 2021-2025

As most Vietnam's companies are at the early stage of incorporating climate change into their business strategies, we continue to focus our engagement activities on raising portfolio companies' awareness and providing them with guidelines to measure their total carbon emissions and adopt or develop low-carbon technology.

We identify physical risks, for example, acute weather events, as well as transition risks, which include policy, legal and market risks. We do this across sectors in accordance with our core investment

Sustainability Report (continued)

Strategy for 2021-2025 (continued)

themes: industrialisation, urbanisation, and the domestic consumer. In our analysis, we prioritise the best-in-class companies in terms of their adoption of technological solutions to lower carbon emissions and their disclosures on carbon footprint in their annual reports, favouring those that prove to be engaged in strong climate-resilient strategies.

Based on the United Nations Environment Programme Finance Initiative ("UNEP FI") – which assesses the sector transition risk exposure in terms of direct and indirect emission costs, low-carbon capital expenditure and change in revenue – the largest portion of VNH's portfolio in 2023 (47.5% of the NAV) is allocated in the financial and information technology sector. These sectors are categorised as "low" transition risks, while another 40.3% of the portfolio is invested in sectors with "moderate" exposure ratings.

In the financial year, the Fund continued to hold its investment in PVS – a state-owned company in the oil and gas sector, which has entered the portfolio from the previous year, and is categorised as "high" risk exposure. However, PVS, is transitioning its business to support offshore wind power projects and has signed MOUs with many partners to develop domestic as well as overseas green energy projects. PVS is also utilising its fleet of specialised offshore vessels in the construction, operation and maintenance of nearshore windfarms in Ben Tre, Tra Vinh and Ca Mau provinces and offshore wind farms in Binh Thuan province. To date, it has secured two contracts overseas with a total value of USD 350m.

Risk Management

The ESG Committee works closely with the Audit and Risk Committee and the Investment Manager to incorporate climate risks into the overall risk management framework (see page 24).

The Investment Manager integrates climate risk assessment into every stage of the investment processes from initial screening and due diligence to investment decision and monitoring. Risks as well as the opportunities they present are discussed regularly during the Investment Committee's meetings and managed at the portfolio level.

Metrics and Targets

- **Portfolio carbon footprint** is the key metric we use to measure and keep track of our progress towards reducing carbon emissions. Our target is to keep the portfolio carbon footprint 20% below the benchmark index, the Vietnam All share Index ("VNAS"). We are proud to report that the 2023 portfolio's carbon footprint is 41.3% below the VNAS benchmark.

- **Portfolio's implied temperature rise ("ITR"):** The portfolio's ITR calculation is based on the two models developed by the Climate Action Tracker [4]. The first model is the domestic modelled pathways, in which, with domestic efforts, Vietnam shall reduce its emission to 114 $MtCO_2e$ (excluding LULUCF [5]) in 2050 to reach the 1.5°C target. The second model is the effort-sharing model, which sets the budget considering each country's economic capabilities, and what is considered as "fair". The remaining budget of Viet Nam in 2050 for reaching the 1.5°C target is 233 $MtCO_2e$ in the effort-sharing model. Based on the calculation of VNEEC, the ITR of VNH's 2023 portfolio is 3.85°C and 2.80°C for the domestic and the effort-sharing pathways, respectively. This means that the ITR of the 2023 portfolio is higher than 2°C. We are offsetting this by actively joining in policy dialogue, supporting climate initiatives, and enhancing our engagement with companies to help them with their own transitions.

- **Portfolio's Weighted Average Carbon Intensity ("WACI"):** We use the WACI metric to assess the portfolio's exposure to carbon-intensive companies expressed in tCO_2/\$M revenue, and this is calculated at 107.98 tCO_2/\$M for VNH's 2023 portfolio based on Scope 1 and 2 emissions of all companies, which is lower than the 2022 WACI at 178.23 tCO_2/\$M.

- **Low-carbon investment:** In the long-term, from 2025, and with shareholder approval, we will set a firm target percentage for low-carbon investment in our portfolio.

Portfolio Carbon Footprint

The attributable carbon footprints of portfolio firms are compared to the attributable carbon footprints of an identical amount invested in companies in the Vietnam All Share Index ("VNAS"). The total carbon emissions of VNH portfolio in 2023 are 41.3% (equivalent to 10,210 tCO_2e) lower than the VNAS benchmark, because of both sector allocation and stock picking. The total carbon emissions of 2023 Portfolio is also lower than that of 2022 Portfolio (14,522 and 20,539 tCO_2e respectively), due to reducing investment in carbon-intensive Energy and Materials stocks.

[4] *https://climateactiontracker.org/*

[5] *LULUCF is the abbreviation of "Land use, land-use change and forestry". The reasons for focusing on emissions excl. LULUCF because of the importance of decreasing CO_2 and other GHG emissions from fossil fuel combustion, industry, agriculture and waste sources, and because of large data uncertainty around LULUCF emissions data.*

	VNH Portfolio	VNAS benchmark	Difference between VNH Portfolio vs. VNAS benchmark
Total Emissions Scope 1 and 2 (tCO_2e)	14,522	24,732	-10,210
Total Emissions Scope 1, 2 and 3 (tCO_2e)	38,843	51,588	-12,745
Carbon footprint (tCO_2e/ USDM Invested)	118.53	201.86	-41.3%

Keeping in line with the UN SDGs

The 17 Sustainable Development Goals ("SDGs"), also known as the Global Goals, were adopted by the United Nations ("UN") in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. With only a little over five years left, it is crucial that we accelerate our actions if we are to make any meaningful change. The country's Voluntary National Review shows that Vietnam is currently on track to achieve four of the 17 SDGs that the country has committed to for the 2030 Agenda. These include SDG 1, "No poverty"; SDG 6, "Clean water and sanitation"; SDG 9, "Industry, innovation and infrastructure"; and SDG 10, "Reduced inequalities". 2022 marked the 45th Anniversary of Vietnam's relationship with the UN, and together with the Government of Vietnam, the UN launched a new five-year Sustainable Development Cooperation Framework ("CF") for the 2022 to 2026 period.

The CF specifies four priority outcomes linked to SDG goals for Vietnam for the next three years, namely inclusiveness and social development; climate-change response and disaster resilience; environmental sustainability and shared prosperity through economic transformation; and governance and access to justice. Progress will be measured against 46 outcome and 57 output indicators. We have already seen the UN expand its dialogue in Vietnam to encourage private sector firms to incorporate the UN principles of responsible business into their operations.

We consider the 17 SDGs to be the most holistic framework that companies would be wise to start with when developing their sustainability strategy. We are pleased to see that the SDGs have been incorporated in many of our portfolio companies' annual reports, with detailed illustrations of how the SDGs are embedded in their business activities and corporate culture.

For example, FPT, the largest holding in VNH's portfolio, contributes greatly to SDG 4, "Quality Education", with their extensive education programmes for staff, their families and communities. GMD, another company in our top five holdings, has also made efforts to align its business with the SDGs, especially SDG 9, "Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation with its extensive green smart port ecosystem" and SDG 13, "Climate Action".

Additionally, the banking sector, which accounts for approximately 26% of VNH's portfolio at 30 June 2024, has made notable progress in committing to the SDGs in recent years. For example, by providing more loans and other products linked to climate change, helping to accelerate the clean energy transition and support underprivileged groups. Vietnamese banks also have been improving their sustainability disclosures. During the financial year, we saw increasing competition among banks when it came to ESG reporting, with MBB, ACB, VPB taking the lead.

Seven of our portfolio companies, CTG, FPT, MBB, MWG, PNJ, VCB and VPB, are in the Vietnam Sustainability Index ("VNSI") 2024, which features the top 20 sustainable listed companies on HOSE measured in terms of their ESG practices. The number of our portfolio companies included in the VNSI has increased significantly this year, with their total weights accounting for 36.2% of VNH's portfolio at 30 June 2024. PNJ is also included in the Corporate Sustainability Index 2023 developed by the Vietnam Business Council for Sustainable Development (VBCSD) under the Vietnam Chamber of Commerce and Industry ("VCCI").

The Importance of G in ESG

Corporate Governance ("CG") is an integral part of any successful business as it guarantees accountability, transparency, and ethical behaviours. As an investor, we highly value companies that prove good governance is actually happening in practice. The CG part in our ESG scorecard has been developed based on both national regulations and international guidelines, including the Law on Enterprises, the Law on Securities, Decree 155 on corporate governance of public companies, Circular 96 on disclosure of information of public companies, the International Finance Corporation's ("IFC") CG Code of Best Practices for public companies, and the ASEAN CG Scorecard. It covers a wide range of governance issues, including board structure, company's commitment to corporate governance, risk management and control system, transparency and disclosure, shareholder rights and board oversight of environmental and social issues.

Sustainability Report (continued)

The Importance of G in ESG (continued)
Although Vietnam's equity markets are still classified as Frontier Markets by MSCI and FTSE Russell, we think it is a matter of time before they are upgraded. In anticipation of this, many leading companies have employed the World Bank's IFC ESG guidebook and other international guidelines to improve their corporate governance framework. We have observed significant improvements over the past year in board-level oversight of ESG issues among our portfolio companies. Nearly one-third of portfolio companies have established dedicated sub-committees to address key ESG matters. The majority have sent their directors on corporate governance training courses, and more than one-third of the companies in the portfolio have certified directors in their board. In addition, we are pleased to see enhanced investor relations activities and greater transparency across all our portfolio companies. This includes more monthly performance updates and quarterly reports, as well as more content available in English. As noted above, we also are seeing more sustainability reports from companies following GRI (Global Reporting Initiative) standards, and this includes improved investor relations support to address questions from investors.

Dedicated Company Engagement Program
The Investment Manager is active in arranging face-to-face meetings with several portfolio companies through the Company Engagement Programme to discuss business strategy and how ESG issues are addressed. During the financial year, the team continued to have in-depth meetings with portfolio companies to help improve their ESG practices with practical solutions in the short and medium term. Although each engagement and conversation is different, we saw an overall willingness and strong commitment from the boards of our top-holdings to prioritise sustainability matters in their business agendas.

In the financial year, our engagement with investee companies focused on the following ESG topics:

- Encouraging companies to improve their ESG public disclosures in line with international best practices;
- Encouraging companies to develop a decarbonisation roadmap with science-based targets;
- Discussing how they could establish a satisfactory ESOP plan; and
- Discussing the potential roles and responsibilities of an ESG officer.

Shareholder Voting
During the financial year, the Company voted at the Annual General Meetings ("AGM") on every portfolio company. This year the AGMs were held in both online and offline modes. The Investment Manager attended 19 AGMs on behalf of the Company and voted 100% in favour of all agenda items. The Investment Manager considered each issue based on its merits related to the strategic objectives of the Investee Company and its long-term performance.

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

Membership and Partnership to Promote ESG Practices

PRI
The Company's investment policy is aligned with the United Nations' Principles on Responsible Investing ("PRI"), which the Company has been a signatory of since 2009. Each year, the Company reports on its responsible investment activities through the PRI Transparency Report. In its 2023 report, the Company received five-star scores for all sections. The improvement in active ownership activities was noted, particularly in some of our criteria, such as the engagement approach, escalation strategy, number of companies engaged with, the topics covered, and the way we share insights from engagements with our stakeholders.

Vietnam Institute of Directors (VIOD)
Mr Vu Quang Thinh, the CEO of Dynam Capital, is a founding member of VIOD, a professional organisation promoting corporate governance standards and best practices in the Vietnamese corporate sector. VIOD was legally formed in 2018 with technical support from the IFC, which is a member of the World Bank Group and the Switzerland's State Secretariat for Economic Affairs ("SECO"). Governed by a board of directors comprised of various private sector representatives, VIOD has close collaboration with and is supported by the State Securities Commission of Vietnam ("SSC"), HOSE and HNX under the Vietnam Corporate Governance Initiative ("VCGI"). With the support of SSC, VIOD will continue to represent Vietnam for participation in the ASEAN Corporate Governance Scorecard. Our close collaboration with VIOD will continue to play a key role in fostering good corporate governance in Vietnam over the coming years.

Asia Investor Group on Climate Change ("AIGCC")
Dynam Capital, our Investment Manager, is a member of AIGCC. Dynam Capital signed up to the 2022 Global Investor Statement to Governments on the Climate Crisis, alongside more than 602 investors representing almost USD 42tn in assets under management, to ask governments to raise their climate ambitions and implement meaningful policies to address the climate crisis. In addition, Dynam Capital has been applying AIGCC's Investor Climate Action Plan to set out VNH's climate strategy, while regularly attending AIGCC's monthly member meetings (including training sessions) on climate change.

Supporting local initiatives
In the financial year, together with the Investment Manager, we actively advocated for ESG awareness in Vietnam through being the title sponsor for the Vietnam ESG Investor Conference 2024. The Investment Manager also helped strengthen the sustainability conversation in Vietnam through supporting local media such as The Saigon Times, and Dear Our Communities, a start-up that produces podcasts and creative media to help young people in the country learn more about sustainability issues and seek relevant career opportunities.

Principal Risks and Risk Management

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

Key Risk	Description	Mitigating Action
Market Risk	Vietnam is an increasingly open trading nation, and the changes in terms of international trade, disruption to supply chains and impositions of tariffs could impact directly and indirectly the Vietnamese economy and the companies in which the Company is invested. The Vietnamese economy can also be impacted by the global-macro economic conditions, and also geopolitical tensions. The Vietnamese capital markets are relatively young, and liquidity levels can change abruptly responding to changes in the behaviour of domestic and international investors. Parts of the portfolio may be prone to enhanced liquidity and price risk.	The Board is regularly briefed on political and economic developments by the Investment Manager. The Investment Manager publishes a monthly report on the Company which includes information and commentary on the macroeconomic developments in Vietnam. The inherent liquidity levels in the portfolio have been considered explicitly in the viability of the Company and the Board is reasonably satisfied that even in periods of distress and low liquidity there would be an adequate level of assets that could be realised to meet the liabilities of the Company as they fall due. The Board has noted that the underlying market liquidity in Vietnam has increased dramatically during the last year, and the portfolio composition has also included a higher percentage of larger and more liquid companies.
Investor Sentiment	Vietnam is currently classified as a Frontier Market by MSCI, and the timetable for any inclusion as an Emerging Market is unsure. Investor attitudes to Frontier and Emerging Markets can change, leading to reduced demand for the Company's shares, and an increase in the discount to NAV per share.	The Investment Manager keeps shareholders and other potential investors regularly informed on Vietnam in general and the Company's portfolio in particular. At each Board meeting the Board receives reports from the Investment Manager, from Cavendish Securities plc, its broker, and is updated on the composition of the shareholder register. In 2019 the Company migrated its domicile from Cayman Islands to Guernsey and moved its trading from AIM to the Main Market (previously the Premium segment of the Official List) of the LSE in order to make the shares attractive to a wider audience of potential investors. In seeking to narrow the discount, the Board has also implemented an on-going share buy-back programme.
Investment Performance	The performance of the Company's investment portfolio could be poor, either absolutely or in relation to the Company's peers, or to the market as a whole.	The Board receives regular reports on the performance of the portfolio and its underlying assets. The Investment Manager reports to the Board at each Board meeting, and the Board monitors the performance of the Investment Manager.

Principal Risks and Risk Management (continued)

Key Risk	Description	Mitigating Action
Fair Valuation	The risks associated with the fair valuation of the portfolio could result in the NAV of the Company being misstated. The quoted companies in the portfolio are valued at market price, but it may be difficult to liquidate, where large positions are held, at these prices in an orderly fashion in the ordinary course of market activity. The values of the Company's underlying investments are denominated in Vietnamese Dong, whereas the Company's accounts are prepared in US Dollars. The Company does not hedge its Vietnamese Dong exposures so exchange rate fluctuations could have a material effect on the NAV.	The Board reviews the valuation of the portfolio with the Investment Manager regularly. The daily estimated NAV is calculated by the Investment Manager. The monthly NAV is calculated by the Fund Administrator.
Investment Management Agreement	The fund management activities are outsourced to the Investment Manager. If the Investment Manager became unable to carry out these activities or if the Investment Management Agreement was terminated, there could be disruptions to the management of the portfolio until a suitable replacement is found.	The Board maintains a close contact with the Investment Manager and reviews the performance of the Investment Manager on a regular basis.
Operational	The Company has no employees and is dependent on a number of third parties for the provision of services (including Investment Management, Fund Administration and Custody). Any control failures or gaps in the services provided could result in damage or loss to the Company.	The Board receives regular reports from the Investment Manager and Fund Administrator on their policies, controls, and risk management.
Legal and Regulatory	Failure to comply with relevant regulation and legislation in relevant jurisdictions may have an impact on the Company. Although there are compliance policies (including anti-bribery policies) in place at the Company, the Investment Manager and all service providers, the Company could be damaged or suffer losses if any of these polices were breached.	The Company is administered in Guernsey by a Fund Administrator which reports to the Board at each Board meeting on compliance matters. The Board receives training and updates on compliance matters. The Investment Manager is regulated in Guernsey and has extensive compliance and risk management policies in place.
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.	The Board and the Investment Manager learned many valuable lessons during COVID-19 - the Board remains in regular contact with the Investment Manager, receiving regular updates on the development of any new threats whilst continuing to ensure that the key service providers to the Company all have functional Business Continuity Plans.

Key Risk	Description	Mitigating Action
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 twenty countries most vulnerable to climate change. The country's diverse geography means it is hit by sea level rise, typhoons, landslides, flooding and droughts, and weather events are expected to worsen in coming years. Two types of climate-related risks have been identified. **(1)** Physical risks: sea level rise, floods and typhoons that put infrastructure or real estate companies with projects in coastal areas or low-lying levels at higher risk from physical impacts of climate change **(2)** Transition risks: climate policy and rising carbon prices may cause higher prices and impact the viability of companies that rely on fossil fuels or those in carbon intensive activities and may necessitate a significant, and costly, technology shift.	The Board, through the Investment Manager, has engaged a specialist consulting firm in Vietnam to help estimate the portfolio's carbon footprint and identify the carbon-intensive sectors. The Investment Manager has undertaken to analyse the physical and transition risks of climate-sensitive industries to develop an appropriate investment and engagement strategy and to encourage investee companies to do more on climate-related risk assessment and disclosures. The Investment Manager monitors investee companies that are identified to be at high climate risk. The Investment Manager is a member of the Asia Investor Group on Climate Change and keeps abreast of the changes in policies that may impact transition and other climate-related risks. The Board is in regular contact with the Investment Manager and receives reports through the ESG Committee and the Audit and Risk Committee.
Emerging Risks	New risks beyond those identified as Principal Risks can develop. These Emerging Risks may have a detrimental or existential impact on the Company.	The Board reviews the risk matrix and risk register that captures and tracks emerging risks as part of its overall risk management practices. Emerging Risks are identified and recorded with a description of their root cause, a risk assessment, a description of mitigating actions, a monitoring plan, and a net risk rating. Changes in risk ratings are presented to the Board on a quarterly basis. There are no emerging risks to bring to the attention of the shareholders at the date of the Annual Report.

Director Profiles and Disclosure of Directorships

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

Hiroshi Funaki
Chairman

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

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 and is Chairman of FIM Holdings Limited. 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)

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 9 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.

Connie Hoang Mi Vu
(Environmental, Social and Governance Committee Chairman)

Ms Vu is a partner at Raise Partners, a consultancy that advises clients on ESG strategy and partnerships. She has over 20 years of experience in ESG and international development and is one of Vietnam's leading experts on human trafficking, modern slavery, and labour migration. Ms Vu is a Board Member of the Belgium Luxembourg Chamber of Commerce Vietnam and a Vice-Chair of the European Chamber of Commerce's Women in Business Committee. She has a BA from University of Michigan and MPA in International Nonprofit Policy & Management from New York University.

Disclosure of Directorships in Public Companies Listed on Recognised Stock Exchanges

Name	Company Name	Stock Exchange
Philip Scales	First World Hybrid Real Estate plc	Channel Islands

Corporate Governance Report

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

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

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

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

The Board of the Company has considered the Principles and Provisions of the Association of Investment Companies Code of Corporate Governance issued in February 2019 ("AIC Code"). The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code (the "UK Code"), as well as setting out additional Provisions on issues that are of specific relevance to the Company. The Board and its advisors are aware of the new code and will carry out a review to ensure that it remains compliant.

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

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

Except as disclosed within this report, the Board is of the view that the Company complied with the recommendations of the AIC Code and the relevant provisions of the AIC Code during the year ended 30 June 2024. Key issues affecting the Company's corporate governance responsibilities, how they are addressed by the Board and application of the AIC Code are presented below.

Liaison with Shareholders is dealt with by the Chairman of the Company and the Directors working closely with the Company's Advisors.

Directors' Responsibilities to Stakeholders

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

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

Key decisions are defined as those that are material to the Company, but also those that are significant to any of the Company's key stakeholder groups. The Company's engagement with its key stakeholders is outlined on pages 29 to 30 of the corporate governance section of this report.

Board Independence and Composition

The Directors are all Non-executive and the majority are independent. Two of the Board members were appointed in September/October 2017 following the retirement of the previous Board and the third member was appointed in May 2019 following the retirement of a Board member at the 2018 AGM. The fourth member was recently appointed in March 2024 following the resignation of two Board members at the 2023 AGM.

Mr Funaki is a Director of Discover Investment Company which at 30 June 2024 held 1,415,776 ordinary shares in the Company representing 5.2% of the issued share capital. The Board are satisfied that this does not have any impact on Mr Funaki's independence as a Director of the Company. As detailed in note 8 of the financial statements, Directors own shares in the Company as follows:

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

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

The Board acknowledges the benefits of greater diversity and welcomes the recommendations from the Hampton-Alexander Review on gender diversity and the Parker Review on ethnic representation. The Remuneration and Nomination Committee will consider diversity generally when making recommendations for appointments to the Board but with the principal aim that any new appointment is filled by the most appropriate candidate based on a range of skills, knowledge and experience appropriate for an investment trust.

Corporate Governance Report (continued)

Board Independence and Composition (continued)

In all of the Board's activities, there has been and will be no discrimination on the grounds of gender, race, ethnicity, religion, sexual orientation, age or physical ability.

The Board notes the new Listing Rules requirements regarding the targets on board diversity:

- at least 40% of individuals on the Board are women;
- at least one senior Board position (chairman, chief executive officer ("CEO"), senior independent director or chief financial officer ("CFO")) is held by a woman; and
- at least one individual on the Board is from a minority ethnic background, defined to include those from an ethnic group other than a white ethnic group, as specified in categories recommended by the Office for National Statistics.

As required by the Listing Rules, reporting against these targets is set out in the tables below in the prescribed format. The data was collected on a self-identifying basis.

Gender identity / sex	No of Board Members	Percentage of Board	No of senior positions on the Board	Number in Executive team	Percentage of Executive Team
Male	2	50%	2	-	N/A
Female	2	50%	2	-	N/A
Not specified	-	-	-	-	N/A

Ethnic Background	No of Board Members	Percentage of Board	No of senior positions on the Board	Number in Executive team	Percentage of Executive Team
White British or other (including other minorities)	1	25%	1	-	N/A
Asian/ Asian British	3	75%	3	-	N/A
Mixed/ multiple Ethnic groups	-	-	-	-	N/A
Not specified	-	-	-	-	N/A

The Board is pleased to announce that as at 30 June 2024, it achieved a 50/50 gender representation.

The Company is an externally managed investment trust meaning there is no CEO or CFO, however the Board considers that the Chairman of any of the Company's Committees to be a senior position.

The Board notes also that 40% of the team members employed by the Investment Manager and its subsidiary in Vietnam are female and 90% are ethnically Vietnamese.

The Board believes the current board members have the appropriate qualifications, experience, and expertise to manage the Company. The Directors' biographies can be found on page 25.

Board Meetings and Attendance

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

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

During the year 4 Board meetings were held and the record of attendance at each Board and committee meeting was as follows:

	Board	Audit and Risk	Remuneration and Nomination	Management Engagement	Environmental, Social and Governance
Hiroshi Funaki	4 (4)	4 (4)	2 (2)	2 (2)	2 (2)
Philip Scales	4 (4)	4 (4)	2 (2)	2 (2)	2 (2)
Saiko Tajima	4 (4)	4 (4)	2 (2)	2 (2)	2 (2)
Connie Hoang Mi Vu	1 (1)	1 (1)	1 (1)	1 (1)	1 (1)

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

Re-election of Directors

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

Mr Funaki, Mr Scales, Ms Tajima and Ms Vu will all stand for re-election at the 2024 AGM.

The individual performance of each Director standing for re-election or election has been evaluated by the other members of the Board and a recommendation will be made that Shareholders vote in favour of their re-election at the AGM in November 2024.

Administration

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

Conflicts of Interest

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

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

Performance Evaluation

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

The Remuneration and Nomination Committee will again consider whether for the next evaluation due in 2025, an external facilitator should be appointed to undertake the evaluations in line with AIC recommendations.

Professional Development and Training

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

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

Corporate Governance Report (continued)

Committees of the Board
Four Committees have been formed, an Audit and Risk Committee, a Remuneration and Nomination Committee, a Management Engagement Committee and an ESG Committee. Since September/October 2017 the Company has been through a period of considerable change and apart from the Management Engagement Committee, all Board members are members of each committee. The Chairman of the Company does not Chair any of the Committees.

Details of the Chairman of each committee, together with the number of meetings held during the year are shown on page 28. A summary of the Terms of Reference of each committee is detailed below and a copy of the Terms of Reference are available on the Company's website www.vietnamholding.com.

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

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

A report of the Audit and Risk Committee is detailed on pages 31 to 32.

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

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

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

The Board appointed Connie Hoang Mi Vu as an Independent Non-executive Director with effect from 25 March 2024.

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

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

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

Environmental, Social and Governance Committee
The ESG Committee was established in 2021 and is chaired by Connie Hoang Mi Vu with all members of the Board forming the Committee. The aim of the Committee is to establish a unified view of ESG, increasing understanding of all three aspects: environmental, social and governance, and to promote the robust standards of corporate governance that the Company adopts.

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

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

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

The Company holds an AGM each year, which gives investors the opportunity to enter into dialogue with the Board and for the Board to receive feedback and take action as necessary. The Investment Manager also participates in meetings with investors arranged by the Company's Broker and has arranged seminars and webinars to update current and prospective investors on the developments in the Vietnamese market and the performance of the Company. The Investment Manager also updates the Company's website and sends out monthly factsheets on the Company to investors who have registered to receive such updates. The Company has a LinkedIn page which is administered by the Investment Manager.

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

Corporate Policies

Anti-Bribery and Corruption Policy

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

Criminal Facilitation of Tax Evasion Policy

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

General Data Protection Regulation

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

The Company

Global Greenhouse Gas Emissions

The Company has no significant greenhouse gas emissions to report from its operations for the year to 30 June 2024, nor does it have responsibility for any other emission producing sources. The Company is very conscious of its own carbon footprint in carrying out its business activities. The main source of this for the Company is in the international and domestic air travel of the Board of Directors and members of the Investment Manager in conducting the business of the Company and meeting with Shareholders. During the year members of the Board travelled to Vienna, Hong Kong, Dubai and Ho Chi Minh City in conducting the business of the Company whilst some meetings were held via video conference. The estimated carbon footprint of travel activities (that have not already been offset at source) amounts to approximately 64.19 tonnes of CO_2e.

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

Gender Metrics

The Board of the Company recognises the governance mechanism to ensure there is diversity amongst the Directors and as such the Board now achieves a 50/50 gender representation. The Board is committed to treating all equally and considers all aspects of diversity including gender and ethnic diversity. The Remuneration and Nomination Committee will consider diversity when making recommendations for appointments to the Board but with the principal aim that any new appointment is filled by the most appropriate candidate based on a range of skills, knowledge and experience appropriate for an investment trust.

Audit and Risk Committee Report

The main items that the Audit and Risk Committee (the "Committee") has considered and reviewed during the year ended 30 June 2024 were:

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

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

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

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

The Committee holds at least two meetings a year which are to review the Annual and Half-Year Reports of the Company and also for audit planning purposes and a review of risks relevant to the Company. Details of the number of committee meetings held during the year ended 30 June 2024 and the number of those attended by each committee member are shown on page 28.

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

Principal Duties
During the year the Committee has:

- monitored the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance;
- reviewed the Company's internal financial controls and the internal control and risk management systems of the Company and its third-party service providers;
- made recommendations to the Board in relation to the appointment of the External Auditor and their remuneration;
- reviewed and monitored the External Auditor's independence and objectivity and the effectiveness of the audit process; and
- challenged the Investment Manager on the scenarios used to support the going concern basis and the ongoing viability assessment.

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

Valuation of Investments
The fair value of the Company's investments at 30 June 2024 was USD 134.9 million which represented 96.3% of the Company's NAV (30 June 2023: USD 113.2 million and 98.2% respectively). The valuation of investments is the most significant factor in relation to the accuracy of the financial statements.

The Committee reviewed the portfolio valuation as at 30 June 2024 and obtained confirmation from the Investment Manager that the Company's policies on the valuation of investments had been followed. The Committee also made enquiries of the Sub-Administrator and Custodian, both of whom are independent of the Company, to check procedures are in place to ensure the portfolio is valued correctly.

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

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

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

also been held with the Chairman of the Committee in order that the Chairman is kept up to date with the progress of the audit and formal reporting required by the Committee.

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

Audit fees payable to KPMG for 2024 are GBP 66,900 (2023: GBP 62,200). Non audit fees payable to KPMG for 2024 were GBP nil (2023: GBP nil).

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

Risk Management

An outline of the risk management framework and principal risks is detailed on pages 22 to 24. The Committee will keep under review financial and operational risk including reviewing and obtaining assurances from key service providers for the controls for which they are responsible.

Anti-Bribery and Corruption

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

Annual Report

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

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

Philip Scales
Audit and Risk Committee Chairman
1 October 2024

Directors' Remuneration Policy and Report

Remuneration Policy

The Directors are entitled to receive fees for their services which reflect their experience and the time commitment required. At the Annual General Meeting to be held in November 2024 an ordinary resolution seeking approval for the Directors' remuneration report will be put to Shareholders.

Directors' Remuneration

Directors' fees are paid within limits established in the Articles of Incorporation which shall not exceed an aggregate of USD 350,000 in any financial year (or such sum as the Company shall from time to time determine). The Directors may also be paid reasonable travelling, hotel and other out-of-pocket expenses properly incurred in attending Board, committee meetings or general meetings. The Remuneration Committee reviews the Directors' fees periodically although the review will not necessarily result in any increase. For the year ended 30 June 2024 annual Directors' fees remained at USD 50,000 with the Chairman of the Company receiving an additional USD 10,000 per annum or prorated as applicable and the Chairman of the Audit and Risk Committee receiving an additional USD 5,000 per annum or prorated as applicable.

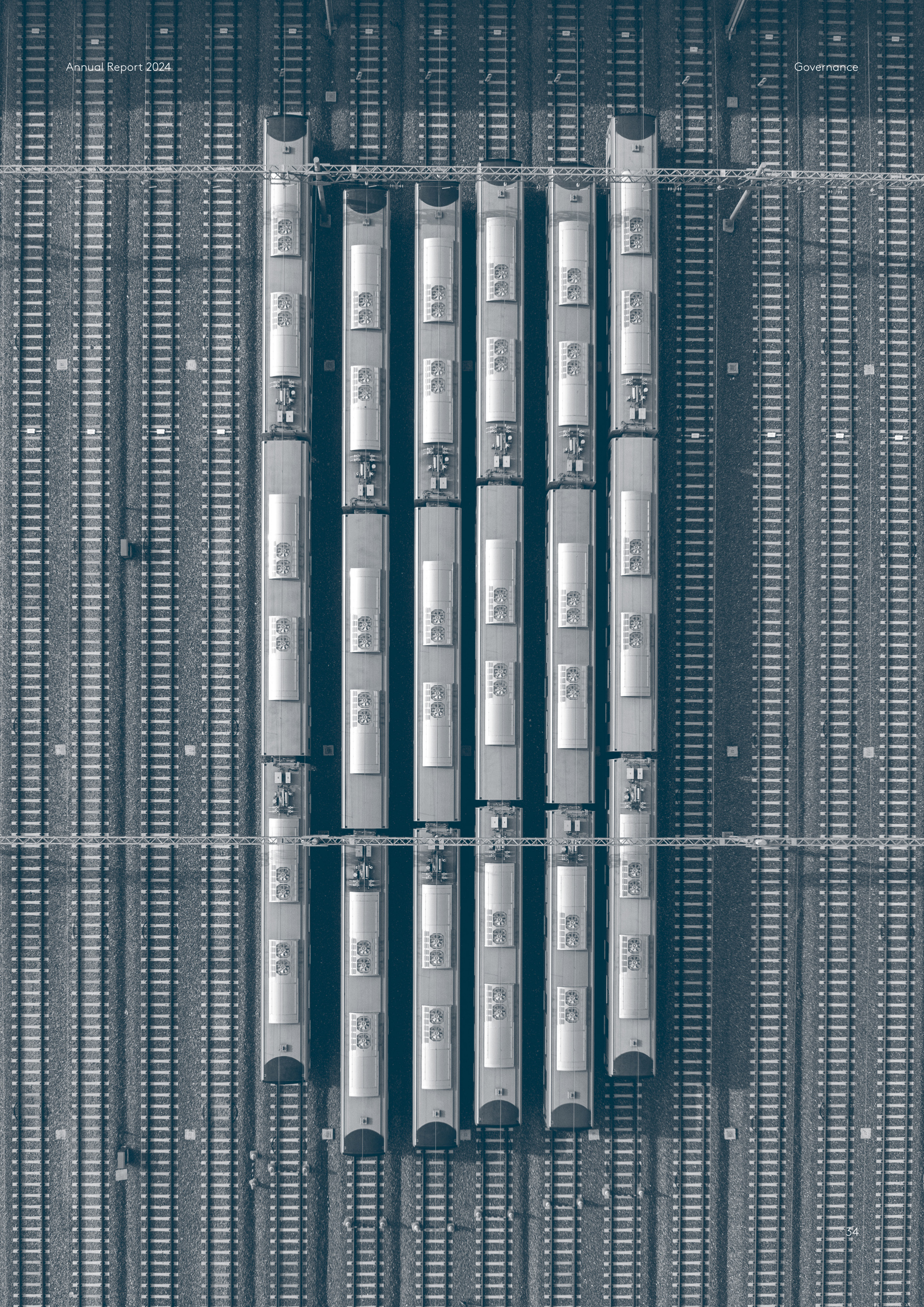
The Directors are also paid a per diem fee of USD 1,500 for each Board meeting attended and USD 750 for a committee meeting attended, either in person or by telephone.

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

The single total figure of remuneration for each Director who served during the year ended 30 June 2024 and the previous year is as follows:

	Year ended 30 June 2024			Year ended 30 June 2023		
Director	Base Fees USD	Additional Ad hoc fees USD	Total USD	Base Fees USD	Additional Ad hoc fees USD	Total USD
Hiroshi Funaki (Chairman)	60,000	6,750	66,750	60,000	11,250	71,250
Philip Scales (Audit and Risk Committee Chairman)	55,000	6,000	61,000	55,000	6,750	61,750
Saiko Tajima	50,000	6,000	56,000	50,000	6,750	56,750
Connie Hoang Mi Vu	13,320	1,500	14,820	-	-	-
Sean Hurst (Resigned)	27,759	3,078	30,837	55,901	11,700	67,601
Damien Pierron (Resigned)	25,000	3,215	28,215	50,000	11,832	61,832
Total	231,079	26,543	257,622	270,901	48,282	319,183

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



Directors' Report

The Directors present the Annual Report and Financial Statements of the Company for the year ended 30 June 2024.

The Company

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

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

At the Extraordinary General Meeting held on 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.

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 was on 30 September 2024 and every year thereafter.

As part of the introduction of the redemption facility the Company was accepted into the Reporting Fund regime by HMRC with effect from 1 July 2024. 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 net profit for the year ended 30 June 2024 amounted to USD 26,522,608 (2023: loss of USD 8,622,089). There were no dividends declared during the year ended 30 June 2024 (2023: USD nil).

Going Concern

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

The Company's forecasts and projections have been stress tested taking into account the potential for (i) asset value declines, (ii) declines in cash dividends from equities held in the portfolio and (iii) share buybacks and tender offers. The Directors note that the underlying liquidity of Vietnamese stocks has continued to improve during the year. The Director's also note that the portfolio is composed of a high percentage of larger and more liquid stocks. Lastly, the Directors note that at year-end the portfolio is comprised of cash and quoted stocks only. The Company's liquidity position, taking into account cash held and with the ability to sell underlying assets to meet share buybacks, tenders and to meet the operating costs of the Company, shows that the Company is able to operate with appropriate liquidity and be able to meet its liabilities as they fall due.

At the Annual General Meeting and Extraordinary General meeting held on 21 December 2023, shareholders voted in favour of the Company continuing for a further five years as well as the introduction of an annual Redemption Facility. The first Redemption Date was 30 September 2024.

On 1 October, the Company announced a total of 3,406,598 ordinary shares were validly tendered for redemption and will be redeemed under the 2024 redemption opportunity. These ordinary shares represent approximately 12.6% of the ordinary shares in issue as at 31 August 2024. The Board resolved that the redemption price will be based on VNH's official net asset value per share as at 30 September 2024 and it is anticipated that payments will be made to redeeming shareholders by the end of October 2024. The portfolio liquidity remains relatively high, and the investment manager does not anticipate any difficulty in raising the cash required. Therefore, the Board is confident that the redemption facility will not cause any material uncertainty over the going concern of the Company.

The Directors have a reasonable expectation that the Company will have adequate resources to continue its operations for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Viability Statement

The Board has considered the viability period for the Company, using the criteria set out in the UK Corporate Governance Code. The Board considered the current position of the Company, and its longer-term prospects, strategies as well as its principal risks in the current, medium and long-term, as detailed in the Principal Risks and Risk Management on pages 22 to 24 and in the Investment Manager's Report on pages 7 to 10. The strategy provides long term direction and is reviewed annually and further tested in a series of robust downside financial scenarios as part of the annual review. These scenarios included an assessment of those risks that would threaten its strategic objectives, its business-as-usual state, its business model and its future performance, solvency or liquidity. The sensitivity analysis was applied to the forecasted cash flows. Based on this assessment, the Board has determined that a three-year viability period to 30 June 2027 is an appropriate period and that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of three years. The Board notes the approval and adoption by shareholders of an annual Share Redemption facility, with the first redemption period being in September 2024. Given that the Company's assets are listed equities, and that the Investment Manager has estimated that on prevailing market conditions more than 95% of the portfolio could be liquidated in less than 30 days, the Board is comfortable that enough liquidity could be generated to satisfy any amount of redemption request made by shareholders. The Board also travelled to Vietnam in January 2024, meeting with the research team of the Investment Manager, portfolio companies and market commentators, and will visit again in November 2024.

In arriving at this conclusion, the Board considered:

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

- Business environment:
Despite the continuing visible signs of economic recovery which the Board were able to see first-hand on their visit to Vietnam in January 2024, evidenced in part by greater tourist arrivals (back to pre-pandemic levels) and broader economic recovery, the domestic real-estate market, bond market and consumer market have faced some challenges. The Company's strategy for investing in a portfolio of equities in Vietnam and targeting growth in the value of the portfolio over the medium term is unchanged and this coupled with a nimble approach to portfolio construction has helped the Company navigate the uncertain market conditions. The combination of potential structural opportunities that may benefit Vietnam as a destination for manufacturing, and the opportunities within the growing domestic market provide attractive investment opportunities. The direct impact of the war in Ukraine on Vietnam appears to be manageable, with less than 1% of trade to Russia and Ukraine. The levels of inflation in Vietnam are less pronounced than those in Europe and the US, and the macro-economic position appears to be stronger than in many other frontier and emerging economies.

- Operations:
2023 was thankfully free from any significant operational changes. The restrictions in place during the pandemic of 2020-2022 tested the Business Continuity protocols of the Board, the Investment Manager and other service providers. The smooth operation of the Company through the various restrictions and lockdowns reassured the Board that these protocols are effective and can, if necessary, operate effectively without the need for physical meetings or an office presence. The Board, Investment Manager, Administrator, and other service providers have all demonstrated that they can work effectively and efficiently, and if needed remotely.

- Investment:

- The liquidity of the Company's underlying portfolio is relatively high: although average daily trading volumes on Vietnam's stock markets declined during the first half of the year, the volumes recovered in the second half. All investments are in listed companies which have relatively high liquidity. At year end there were no unquoted investments and all securities are 'Level 1'. It is estimated that 95% of the portfolio can be readily liquidated in less than 30 days. The portfolio is un-geared and, as it holds all listed securities, has sufficient liquidity to meet the Company's liabilities.
- The current portfolio is low to medium risk based on assessments both individually and in combination of liquidity risk, credit risk, interest rate risk and currency risk. The Investment Manager and the Board review and evaluate the portfolio on a monthly basis.

- Principal risks:
The Board's review considered the Company's cash flows and income flows, with reference to operational, business, market, currency, liquidity, interest rate and credit risk associated in financial instruments set out in Note 3 (Financial Instruments and Associated Risks) and Note 4 (Operating Segments) of the financial statements on pages 54 to 57. The statistical modelling is used to quantify these risks, which ensures that the Company holds sufficient financial assets and capital to mitigate the impact of these risks.

- Incomes and expenses:

- The Company has a portfolio that generates investment income through dividends payments. The cash dividends received can be used to partially offset the Company's on-going expenses. In the year under review, total on-going expenses were covered 0.78 times by investment income. In the following year, the current investment income is forecast to cover 0.75 times the amount of on-going expenses. In the stress-tested scenario with significant declines in cash dividends forecasted, the investment income is forecast to cover 0.66 times on-going expenses.
- The Company maintains a cash buffer to help meet on-going expenses. At 30 June 2024 this was 2.1% of NAV.

Directors' Report (continued)

Viability Statement (continued)

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

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

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

In this context, the Board considers that the prospects for economic activity will remain such that the investment objective, policy and strategy of the Company will be viable for the foreseeable future and through a period of at least three years from 30 June 2024.

Key Performance Indicators ("KPIS")

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

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

Share Capital and Share Buy-Backs

An active discount control mechanism to address the imbalance between the supply of and demand for ordinary shares using share buybacks is employed by the Broker and monitored by the Board. At the Annual General Meeting ("AGM") of the Company held on 21 December 2023, the Company was granted the general authority to purchase in the market up to 14.99% of the ordinary shares in issue. This authority will expire at the AGM to be held in November 2024.

In the year ended 30 June 2024 440,212 ordinary shares had been bought back and cancelled under the Company's share buyback programme. Since the last AGM and up to 27 September 2024, being the latest practicable date prior to publication of the report, the Company bought back and cancelled 196,505 ordinary shares.

Share Buy-Backs to the Year-Ended 30 June 2024	30 June 2024		30 June 2023	
	Number of Shares	USD'000	Number of Shares	USD'000
Opening balance at 1 July	27,725,104	(4,006)	29,225,667	935
Share issued during the year	-	-	-	-
Shares repurchased during the year	(440,212)	(1,631)	(1,500,563)	(4,941)
Tender Offer	-	-	-	-
Closing balance at 30 June	27,284,892	(5,637)	27,725,104	(4,006)

Substantial Share Interests

The following shareholders owned 5% or more of the shares in issue of the Company, as stated on the share register as at 30 June 2024.

Shareholder	Number of ordinary shares	Percentage of total shares in issue
Lynchwood Nominees Limited	5,618,653	20.59
Citibank Nominees (Ireland) Designated Activity Company	5,060,667	18.55
Vidacos Nominees Limited	2,034,758	7.46
Hargreaves Lansdown (Nominees) Limited	1,729,256	6.34
Chase Nominees Limited	1,698,750	6.23
Interactive Investor Services Nominees Limited	1,548,506	5.68
The Bank of New York (Nominees) Limited	1,524,001	5.59
Euroclear Nominees Limited	1,509,967	5.53

Notification of Shareholdings

In the year to 30 June 2024 the Company received notifications in accordance with Chapter 5 of the DTR (which covers the acquisition and disposal of major shareholdings and voting rights), of the following changes to voting rights by shareholders of the Company. It should be noted that for non-UK issuers, the thresholds prescribed under DTR 5.1.2 for notification of holdings commence at 5% of total voting rights, however notifications received below 5% have been received and are included in this reporting.

Shareholder	Number of voting rights	Percentage of total voting rights as at announcement date	Announcement date
City of London Investment Management Company Limited	1,347,816	4.9	6 March 2024

Since 30 June 2024 the Company has not received any DTR 5.1.2 notifications of holdings.

Statement of Directors' Responsibilities

in Respect of the Annual Report and the Financial Statements

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

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

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

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

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

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

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

Compliance with Disclosure and Transparency Directive

We confirm that to the best of our knowledge:

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

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

For and on behalf of the Board

Hiroshi Funaki
Chairman
1 October 2024

Independent Auditor's Report

to the Members of VietNam Holding Limited

Our opinion is unmodified

We have audited the financial statements of VietNam Holding Limited (the "Company"), which comprise the statement of financial position as at 30 June 2024, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements:

- give a true and fair view of the financial position of the Company as at 30 June 2024, and of the Company's financial performance and cash flows for the year then ended;
- are prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS"); and
- comply with the Companies (Guernsey) Law, 2008.

Basis for opinion

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

Key audit matters: our assessment of the risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matter was as follows (unchanged from 2023):

	The risk	Our response
Valuation of Investments in securities at fair value $134,971,131; (2022: $113,225,102) Refer to page 31 of the Audit and Risk Committee Report, note 2d accounting policies and note 12 disclosures.	**Basis:** The Company's investment portfolio consists of listed equity securities trading on the Vietnamese stock exchange (the "Investments"). These Investments, carried at a fair value, are valued by the Company based on quoted prices in an active market for that instrument. **Risk:** The valuation of investments, due to their magnitude in the context of the financial statement as a whole, is considered to be the area which has the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.	*Our audit procedures included:* **Internal Controls:** We evaluated the design and implementation of the key control over the valuation of Investments. **Use of KPMG Specialists:** We engaged our own valuation specialist to independently price 100% of Investments to third party pricing sources. **Assessing disclosures:** We considered the Company's disclosures (see notes 2b and 2d) in relation to the use of estimates and judgements regarding the valuation of investments and the Company's investment valuation policies and fair value disclosures in note 12 "Fair Value Information" for compliance with IFRS.

Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at $2,650,000, determined with reference to a benchmark of net assets of $140,151,385 of which it represents approximately 2.0% (2023: 2.0%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole. Performance materiality for the Company was set at 75% (2023: 75%) of materiality for the financial statements as a whole, which equates to $1,980,000. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding $132,500, in addition to other identified misstatements that warranted reporting on qualitative grounds.

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

Going concern

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

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to affect the Company's financial resources or ability to continue operations over this period was availability of capital to meet operating costs and other financial commitments.

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

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

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period; and
- we have nothing material to add or draw attention to in relation to the directors' statement in the notes to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Company's use of that basis for the going concern period, and that statement is materially consistent with the financial statements and our audit knowledge.

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

Independent Auditor's Report

to the Members of VietNam Holding Limited (continued)

Fraud and breaches of laws and regulations – ability to detect (continued)

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

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

We performed procedures including

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

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

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

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

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

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

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

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

Disclosures of emerging and principal risks and longer term viability

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

- the directors' confirmation within the Viability Statement (page 35 - 37) that they have carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity;
- the emerging and principal risks disclosures describing these risks and explaining how they are being managed or mitigated;
- the directors' explanation in the Viability Statement (page 35 - 37) as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the Viability Statement, set out on page 35 - 37 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

Corporate governance disclosures

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

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

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

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

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

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

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

Independent Auditor's Report

to the Members of VietNam Holding Limited (continued)

Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 39, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

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

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

Andrew J. Salisbury
For and on behalf of KPMG Channel Islands Limited
Chartered Accountants and Recognised Auditors
Guernsey
1 October 2024

Statement of Financial Position

As at 30 June 2024

	Notes	2024 USD	2023 USD
Assets			
Non-current assets			
Investments at fair value through profit or loss	3	**134,971,131**	113,225,102
Total non-current assets		**134,971,131**	113,225,102
Current assets			
Cash and cash equivalents		**2,894,425**	1,750,069
Accrued dividends and interest		**73,797**	877,375
Receivables on sale of investments		**2,451,845**	338,591
Total current assets		**5,420,067**	2,966,035
Total assets		**140,391,198**	116,191,137
Equity			
Share capital	5	**166,645,041**	166,645,041
Reserve for own shares	5	**(172,281,084)**	(170,650,584)
Retained earnings		**145,787,428**	119,264,820
Total equity		**140,151,385**	115,259,277
Liabilities			
Payables on purchase of investments		**-**	343,745
Payables on repurchase of shares		**-**	246,469
Accrued expenses		**239,813**	341,646
Total liabilities		**239,813**	931,860
Total equity and liabilities		**140,391,198**	116,191,137

The financial statements on pages 46 to 61 were approved by the Board of Directors on 1 October 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 50 to 61 form an integral part of these financial statements.

Statement of Comprehensive Income

For the year ended 30 June 2024

	Notes	2024 USD	2023 USD
Dividend income from equity securities at fair value through profit or loss		**2,949,474**	1,684,306
Net gain/(loss) from investments at fair value through profit or loss		**28,035,973**	(6,494,742)
Net foreign exchange loss		**(277,039)**	(369,559)
Total operating income/(loss)		**30,708,408**	(5,179,995)
Investment management fees	8	**2,237,255**	1,936,485
Advisory fees		**81,744**	22,846
Directors' fees and expenses	8	**362,837**	417,177
Custodian fees	9	**127,617**	101,674
Administrative and accounting fees	10	**214,218**	201,614
Audit fees		**7,769**	75,153
Other expenses		**1,154,360**	687,145
Total operating expenses		**4,185,800**	3,442,094
Profit/(Loss) for the year		**26,522,608**	(8,622,089)
Other comprehensive income		**-**	-
Total comprehensive income/(loss) for the year		**26,522,608**	(8,622,089)
Basic and diluted income/(loss) per share		**0.97**	(0.30)

The accompanying notes on pages 50 to 61 form an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2024

	Share capital USD	Reserve for own shares USD	Retained earnings USD	Total USD
Balance at 1 July 2022	166,645,041	(165,709,783)	127,886,909	128,822,167
Total comprehensive loss for the year				
Change in net assets attributable to shareholders	-	-	(8,622,089)	(8,622,089)
Total comprehensive loss for the year	-	-	(8,622,089)	(8,622,089)
Transactions in shares				
Repurchase of own shares	-	(4,940,801)	-	(4,940,801)
Total transactions in shares	-	(4,940,801)	-	(4,940,801)
Balance at 30 June 2023	166,645,041	(170,650,584)	119,264,820	115,259,277
Balance at 1 July 2023	**166,645,041**	**(170,650,584)**	**119,264,820**	**115,259,277**
Total comprehensive income for the year				
Change in net assets attributable to shareholders	**-**	**-**	**26,522,608**	**26,522,608**
Total comprehensive income for the year	**-**	**-**	**26,522,608**	**26,522,608**
Transactions in shares				
Repurchase of own shares	**-**	**(1,630,500)**	**-**	**(1,630,500)**
Total transactions in shares	**-**	**(1,630,500)**	**-**	**(1,630,500)**
Balance at 30 June 2024	**166,645,041**	**(172,281,084)**	**145,787,428**	**140,151,385**

The accompanying notes on pages 50 to 61 form an integral part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2024

	Notes	2024 USD	2023 USD
Cash flows from operating activities			
Total comprehensive income/(loss) for the year		26,522,608	(8,622,089)
Adjustments to reconcile total comprehensive income/(loss) to net cash from operating activities:			
Dividend income		(2,949,474)	(1,684,306)
Net (gain)/loss from investments at fair value through profit or loss	7	(28,035,973)	6,494,742
Net foreign exchange loss		277,039	369,559
Purchase of investments		(65,175,759)	(50,826,239)
Proceeds from sale of investments		69,503,097	52,069,545
Changes in working capital			
Decrease in accrued expenses		(101,833)	(13,636)
Dividends received		3,258,659	849,559
Interest received		-	16,144
Net cash from/(used in) operating activities		3,298,364	(1,346,721)
Cash flows used in financing activities			
Repurchase of own shares		(1,876,969)	(4,694,332)
Net cash used in financing activities		(1,876,969)	(4,694,332)
Net increase/(decrease) in cash and cash equivalents		1,421,395	(6,041,053)
Cash and cash equivalents at beginning of the year		1,750,069	8,160,681
Effect of exchange rate fluctuations on cash held		(277,039)	(369,559)
Cash and cash equivalents at end of the year		2,894,425	1,750,069

The accompanying notes on pages 50 to 61 form an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2024

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 Main Market (previously the Premium Segment of the Official List),and trading on the Main Market of the London Stock Exchange ("Main Market"). On the same date the Company's shares were admitted to listing and trading on the Official List of The International Stock Exchange ("TISE").

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

At the Extraordinary General Meeting held on 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. Material Accounting Policies

(a) Statement of compliance

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

(b) Basis of preparation

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

Going concern

The Directors have reasonable expectations and are satisfied that the Company has adequate resources to continue its operations and meet its commitments for the foreseeable future and they continue to adopt the going concern basis for the preparation of the financial statements. In making this statement, the Directors confirm the Company's forecasts and projections have been stress tested taking into account the potential for (i) asset value declines, (ii) declines in cash dividends from equities held in the portfolio and (iii) share buybacks and tender offers. The Directors note that the underlying liquidity of Vietnamese stocks has continued to improve during the year. The Director's also note that the portfolio is composed of a higher percentage of larger and more liquid stocks. Lastly, the Directors note that at year-end the portfolio is comprised of cash and quoted stocks only. The Company's liquidity position, taking into account cash held and with the ability to sell underlying assets to meet share buybacks, tenders and to meet the operating costs of the Company, shows that the Company is able to operate with appropriate liquidity and be able to meet its liabilities as they fall due. At the Annual General Meeting and Extraordinary General meeting held on 21 December 2023, shareholders voted in favour of the Company continuing for a further five years as well as the introduction of an annual Redemption Facility. The first Redemption Date was 30 September 2024.

Notes to the Financial Statements

For the year ended 30 June 2024 (continued)

2. **Material Accounting Policies** (continued)

On 1 October, the Company announced a total of 3,406,598 ordinary shares were validly tendered for redemption and will be redeemed under the 2024 redemption opportunity. These ordinary shares represent approximately 12.6% of the ordinary shares in issue as at 31 August 2024. The Board resolved that the redemption price will be based on VNH's official net asset value per share as at 30 September 2024 and it is anticipated that payments will be made to redeeming shareholders by the end of October 2024. The portfolio liquidity remains relatively high, and the investment manager does not anticipate any difficulty in raising the cash required. Therefore, the Board is confident that the redemption facility will not cause any material uncertainty over the going concern of the Company.

The Directors have a reasonable expectation that the Company will have adequate resources to continue its operations for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Critical accounting estimates and judgements

The preparation of financial statements in accordance with IFRS as adopted by the European Union requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses.

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements are included below:

Functional currency

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

(c) Foreign currency translation

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

(d) Financial instruments

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

(i) Classification

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

Financial assets

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

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

Financial assets measured at amortised cost

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

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

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

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

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

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

The Company measures all its investments at FVTPL.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit and loss.

Financial liabilities measured at amortised cost

Other financial liabilities are measured at amortised cost. The Company includes in this category trade and other payables.

(ii) Recognition and initial measurement

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

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

(iii) Subsequent measurement

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

(iv) Derecognition

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

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

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

(v) Fair value measurement

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

Notes to the Financial Statements

For the year ended 30 June 2024 (continued)

2. **Material Accounting Policies** (continued)

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

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

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

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

(vi) Impairment of financial assets

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

(vii) Cash and cash equivalents

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

(e) Offsetting

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

(f) Share capital

Ordinary shares

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

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

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

(g) Tax

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

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

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

The Company is liable to Vietnamese transactional tax of 0.1% (2023: 0.1%) on the sales proceeds of the onshore sale of equity investments. The related taxes on onshore sales proceeds are accounted for at net amount in the Statement of Comprehensive Income.

(h) Interest income and expense

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

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

(i) Dividend income

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

(j) Fee and commission expense

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

(k) Earnings per share

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

3. Financial Instruments and Associated Risks

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

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

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

Market risk

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

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

Notes to the Financial Statements

For the year ended 30 June 2024 (continued)

3. **Financial Instruments and Associated Risks** (continued)

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

	2024		2023	
	Fair value in USD	**% of net assets**	**Fair value in USD**	**% of net assets**
Investments in listed securities	**134,971,131**	**96.30**	113,225,102	98.24
	134,971,131	**96.30**	113,225,102	98.24

At 30 June 2024, a 5% reduction in the market value of the portfolio would have led to a reduction in NAV and profit or loss of USD 6,748,557 (2023: USD 5,661,255). A 5% increase in market value would have led to an equal and opposite effect on NAV and profit or loss.

Currency risk

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

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

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

As at 30 June 2024, the Company had the following foreign currency exposures:

	Fair value	
	2024 USD	**2023 USD**
Vietnamese Dong	**140,090,931**	115,320,188
Pound Sterling	**6,498**	(231,119)
Swiss Franc	**174**	175
Euro	**4,456**	4,536
	140,102,059	**115,093,780**

At 30 June 2024, a 5% reduction in the value of the Vietnamese Dong, Pound Sterling, Swiss Franc, Euro versus the US Dollar would have led to a reduction in NAV and profit or loss of USD 7,004,547 (2023: USD 5,766,009), USD 325 (2023: USD 11,556), USD 9 (2023: USD 9) and USD 223 (2023: USD 227) respectively. A 5% increase in value would have led to an equal and opposite effect.

Interest rate risk

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

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

Credit risk

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

At 30 June 2024, the following financial assets were exposed to credit risk (including settlement risk): cash and cash equivalents, receivables on sale of investments and accrued dividends and interest. The total amount of financial assets exposed to credit risk amounted to USD 5,420,067 (2023: USD 2,966,035).

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

As at 30 June 2024, the Company's custodian, Standard Chartered Bank (Singapore) Limited, was rated as A+ by Standard and Poor's, A1 by Moody's and A+ by Fitch (2023: A+ by Standard and Poor's, A1 by Moody's and A+ by Fitch).

Financial assets subject to IFRS 9's impairment requirements

The Company's financial assets subject to the expected credit loss model within IFRS 9 are cash and cash equivalents, and short-term receivables, including accrued dividends and interest, and receivables on sale of investments. As at 30 June 2024, the total of cash and cash equivalents, and short-term receivables was USD 5,420,067 (2023: USD 2,966,035). The Directors assessed the lifetime expected credit loss as at 30 June 2024 and concluded it to be immaterial (2023: loss immaterial). There is not considered to be any concentration of credit risk within these assets. No assets are considered impaired and no amounts have been written off in the year.

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

Liquidity risk

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

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

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

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

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

	On demand USD	0 to 1 month USD	1 to 3 months USD	Over 3 months to 5 years USD	No fixed maturity USD	Total USD
2024						
Cash and cash equivalents	2,894,425	-	-	-	-	2,894,425
Investment at fair value through profit and loss	-	-	-	-	134,971,131	134,971,131
Accrued dividends and interest	-	-	73,797	-	-	73,797
Receivables on sale of investments	-	-	2,451,845	-	-	2,451,845
Total financial assets	2,894,425	-	2,525,642	-	134,971,131	140,391,198
Accrued expenses	-	-	239,813	-	-	239,813
Total financial liabilities	-	-	239,813	-	-	239,813
2023						
Cash and cash equivalents	1,750,069	-	-	-	-	1,750,069
Investment at fair value through profit and loss	-	-	-	-	113,225,102	113,225,102
Accrued dividends and interest	-	-	877,375	-	-	877,375
Receivables on sale of investments	-	-	338,591	-	-	338,591
Total financial assets	1,750,069	-	1,215,966	-	113,225,102	116,191,137
Payables in purchase of investments	-	-	343,745	-	-	343,745
Payables on repurchase of shares	-	-	246,469	-	-	246,469
Accrued expenses	-	-	341,646	-	-	341,646
Total financial liabilities	-	-	931,860	-	-	931,860

Notes to the Financial Statements

For the year ended 30 June 2024 (continued)

4. Operating Segments

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

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

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

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

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

As of 30 June 2024, no individual investment exceeded 20% of the net assets attributable to Shareholders (2023: none).

All of the Company's investments in securities at fair value are in Vietnam as at 30 June 2024 and 30 June 2023. All of the Company's investment income can be attributed to Vietnam for the years ended 30 June 2024 and 30 June 2023.

5. Share Capital

Ordinary shares of USD 1 each

Pursuant to its redomiciliation to Guernsey, the Company re-registered with an authorised share capital of USD 200,000,000 divided into 200,000,000 shares of a nominal or par value of USD 1.00 each. In line with the Company's 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 Main Market (previously Premium segment of the 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 TISE.

	2024 No. of shares	**2023 No. of shares**
Total shares issued and fully paid (after repurchases and cancellations) at beginning of the year	**27,725,104**	29,225,667
Shares issued upon exercise of warrants during the year	-	-
Shares cancellation	**(440,212)**	(1,500,563)
	27,284,892	27,725,104
Repurchased and reserved for own shares		
At beginning of the year	-	—
During the year	**(440,212)**	(1,500,563)
Shares reissued to ordinary shares	-	—
Shares cancellation	**440,212**	1,500,563
Total outstanding ordinary shares with voting rights	**27,284,892**	27,725,104

As a result, as at 30 June 2024 the Company has 27,284,892 (2023: 27,725,104) ordinary shares with voting rights in issue (excluding the reserve for own shares), and nil (2023: nil) are held as reserve for own shares.

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

During the year ended 30 June 2024 the Company repurchased and cancelled 440,212 ordinary shares (2023: 1,500,563 ordinary shares) under the Company's share buyback programme (representing 1.6% of the ordinary shares outstanding at 1 July 2023) at a weighted average NAV discount of -9.9%. This resulted in a -0.16% accretion to NAV per share.

Holders of ordinary shares are entitled to attend, speak and vote at general meetings of the Company. Each ordinary share (excluding shares in treasury) earns one vote.

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

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

6. Net Assets Attributable to Shareholders

Total equity of USD 140,151,385 (2023: USD 115,259,277) represents net assets attributable to Shareholders. NAV per share as at 30 June 2024 is USD 5.137 (2023: USD 4.157).

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

	2024 USD	**2023 USD**
Realised gain on disposal of investments	**18,459,534**	1,874,662
Realised foreign currency loss	**(2,011,711)**	(1,660,823)
Unrealised gain/(loss) on investments at fair value through profit or loss	**15,781,434**	(7,200,804)
Unrealised foreign currency (loss)/gain	**(4,193,284)**	492,223
	28,035,973	(6,494,742)

8. Related Party Transactions

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

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

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

The management fee accruing to the Investment Manager for the year ended 30 June 2024 was USD 2,237,255 (2023: USD 1,936,485). An amount of USD 203,206 (30 June 2023: USD 162,201) was outstanding as at 30 June 2024.

Notes to the Financial Statements

For the year ended 30 June 2024 (continued)

8. **Related Party Transactions** (continued)

Directors' fees and expenses

The Board determines the fees payable to each Director, subject to a maximum aggregate amount of USD 350,000 (2023: USD 350,000) per annum being paid to the Board as a whole. The Company also pays reasonable expenses incurred by the Directors in the conduct of the Company's business including travel and other expenses. The Company pays for directors and officers liability insurance coverage.

The charges for the year for the Directors' fees were USD 257,622 (2023: USD 319,183) and expenses were USD 105,215 (2023: USD 97,994).The total Directors' fees and expenses for the year were USD 362,837 (2023: USD 417,177).

As at 30 June 2024, USD nil (2023: nil) of Directors' fees were outstanding.

Ownership of shares

As at 30 June 2024, Directors held 34,964 ordinary shares in the Company (2023: 44,920) as listed below

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

Mr Funaki is also a Director of Discover Investment Company which at 30 June 2024 held 1,415,776 ordinary shares in the Company representing 5.2% of the issued share capital.

Mr Craig Martin, Chairman of the Investment Manager holds 73,386 shares in the Company. During the year he purchased 6,300 shares.

9. **Custodian Fees**

Custodian fees are charged at a minimum of USD 12,000 (2023: USD 12,000) per annum and received as a fee at 0.08% on the assets under administration ("AUA") per annum. Custodian fees comprise safekeeping fees, transaction fees, money transfer fees and other fees. Safekeeping of unlisted securities up to 20 securities is charged at USD 12,000 (2023: USD 12,000) per annum. Transaction fees, money transfers fees and other fees are charged on a transaction basis.

The charges for the year for the Custodian fees were USD 127,617 (2023: USD 101,674), of which USD 11,780 (2023: USD 9,500) were outstanding at year end.

10. **Administrative and Accounting Fees**

In accordance with the new Administration Agreement between the Company and Sanne Group (Guernsey) Limited (the "Administrator") dated 7 October 2019, the Administrator is entitled to receive a fee of 0.08% per annum of NAV up to USD 100,000,000, 0.07% of NAV thereafter subject to a minimum fee of USD 140,000 per annum. The administration fees are accrued monthly and are payable quarterly in advance. The charges for the year for Administration fees were USD 150,580 (2023: USD 145,590), of which USD 500 (2023: USD 1,120) were outstanding at year end.

The Sub-Administrator receives a fee as consideration for the services provided to the Company at such rates as may be agreed in writing from time to time between the Company and the Sub-Administrator. The charges for the year for Administration fees were USD 63,638 (2023: USD 56,024), of which USD 5,384 (2023: USD 4,744) were outstanding at year end.

Total administrative and accounting fees for the year were USD 214,218 (2023: USD 201,614).

11. **Controlling Party**

The Directors are not aware of any ultimate controlling party as at 30 June 2024 or 30 June 2023.

12. **Fair Value Information**

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

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

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

- **Level 1:** Inputs that are quoted market prices (unadjusted) in active markets for identical instruments. This level includes listed equity securities on exchanges (for example, Ho Chi Minh Stock Exchange).

- **Level 2:** Inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level includes instruments valued using: quoted prices for identical or similar instruments in markets that are considered less than active; quoted market prices in active markets for similar instruments; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

- **Level 3:** Inputs that are not based on observable market data (i.e., unobservable inputs). This level includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

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

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
2024				
Financial assets classified at fair value upon initial recognition				
Investments in securities	**134,971,131**	**-**	**-**	**134,971,131**
2023				
Financial assets classified at fair value upon initial recognition				
Investments in securities	113,225,102	-	-	113,225,102

There were no transfers between levels during the year.

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

There are no level 3 assets held at 30 June 2024 (2023: nil).

Notes to the Financial Statements

For the year ended 30 June 2024 (continued)

13. Classifications of Financial Assets and Liabilities

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

	Fair value through Profit or loss USD	Financial assets at amortised cost USD	Financial liabilities at amortised cost USD	Total carrying Amount USD
2024				
Cash and cash equivalents	-	2,894,425	-	2,894,425
Investment in securities at fair value	134,971,131	-	-	134,971,131
Accrued dividends and interest	-	73,797	-	73,797
Receivables on sale of investments	-	2,451,845	-	2,451,845
	134,971,131	5,420,067	-	140,391,198
Accrued expenses	-	-	239,813	239,813
	-	-	239,813	239,813
2023				
Cash and cash equivalents	-	1,750,069	-	1,750,069
Investment in securities at fair value	113,225,102	-	-	113,225,102
Accrued dividends and interest	-	877,375	-	877,375
Receivables on sale of investments	-	338,591	-	338,591
	113,225,102	2,966,035	-	116,191,137
Accrued expenses	-	-	341,646	341,646
Payables in purchase of investments	-	-	343,745	343,745
Payables on repurchase of shares	-	-	246,469	246,469
	-	-	931,860	931,860

14. Earnings Per Share

The calculation of basic and diluted earnings per share at 30 June 2024 was based on the total comprehensive income for the year attributable to Shareholders of USD 26,522,608 (2023: loss of USD 8,622,089) and the weighted average number of shares outstanding of 27,383,130 (2023: 28,685,603).

15. New and Amended Standards and Interpretations

(i) Standards and amendments to existing standards effective 1 July 2023

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

(ii) Standards effective after 30 June 2024 that have been early adopted by the Company

There are no standards effective after 30 June 2024 that are relevant to the Company.

16. Events After the Reporting Date

On 1 October 2024, the Company announced that the first annual redemption facility had resulted in 3,406,598 Ordinary Shares being validly tendered for redemption. These ordinary shares represent approximately 12.6% of the ordinary shares in issue as at 31 August 2024. The Board resolved that the redemption price will be based on VNH's official net asset value per share as at 30 September 2024.The net asset value per share is expected to be announced by mid-October 2024 and it is anticipated that payments will be made to redeeming shareholders by the end of October 2024.

From 1 July 2024 to the date of signing these financial statements, there were no other material events that require disclosures and/or adjustments in these financial statements.

Alternative Performance Measures ("APMs")

Discount or Premium

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

	Page		30 June 2024
NAV per ordinary share (pence)	1	a	406.4
Ordinary share price (pence)	1	b	396.0
Discount	1	((b-a)/a)	2.6%

Ongoing charges

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

The ongoing charges for the year ended 30 June 2024 were 2.97%.

	Page		30 June 2024 USD
Average NAV	1	a	127,574,317
Operating expenses	1	b	3,783,976
Ongoing charges	1	b/a	2.97%

a) Average NAV

Calculated using twelve monthly closing average NAV for the year ended 30 June 2024.

b) Operating expenses

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

	Page		USD
Total annual expenses	47	c	4,185,800
Less: non-recurring expenses		d	(401,824)
Operating expenses		b=c+d	3,783,976

Corporate Information

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