

# Interim Report

2024



VIETNAM  
ENTERPRISE  
INVESTMENTS  
LIMITED

DRAGON CAPITAL 

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# 1. Chair's Statement



**Sarah Arkle, Chair**

Dear Shareholders,

As the new Chair of Vietnam Enterprise Investments Limited, ("VEIL" or the "Company") I am pleased to report that in the first half of 2024 the Vietnam Index ("VNI") continued its recovery of 2023, rising 11.1% in local terms, or 6.0% and 7.0% in US\$ and GBP terms, respectively. VEIL's Net Asset Value ("NAV") performed in line with the VNI over the period. However, shareholder returns were slightly less as the discount widened from 18.1% to 19.0%. Le Anh Tuan, who joined Dragon Capital in 2006, took over as the Lead Portfolio Manager in February 2024, having previously worked as VEIL's Deputy Portfolio Manager between 2010-2013. The Company's investment policy and objective will remain unchanged.

## The Investment Environment

Economic growth has continued to be robust and, following stronger than expected growth in the first half, the Government has revised up its forecast for the full year Gross Domestic Product (GDP) growth to 6.5-7.0%. This compares very favourably with both major global economies and other emerging markets. The manufacturing and service sectors together with consumption have led the way, benefiting from Vietnam's favourable demographics, and newly registered foreign direct investment ("FDI") has continued to see double digit growth as the global supply chain shifts from China.

Public spending and progress in infrastructure projects have been less impressive this year as corruption allegations resulted in some senior Government personal changes, including the Chairman of the National Assembly and President of Vietnam. These changes have meant that there have been delays in decision-making at the municipal level. Additionally, the General Secretary of the Communist Party, who was known for his anti-corruption policies, passed away following a prolonged illness in July 2024 at the age of 80. There has been a smooth transition with President To Lam being unanimously elected as the new General Secretary at the beginning of August and it was encouraging that in his inaugural address he reiterated his commitment to the continuity of pro-business policies.

Delays in US interest rate cuts and the domestic political transition have put pressure on the Vietnamese dong which depreciated by 4.9% over the period against the US\$, in line with other emerging market currencies. The State Bank of Vietnam issued government bills and sold foreign exchange reserves to support the dong and domestic deposit rates rose. Against this background there were significant foreign outflows from Vietnam of US\$2.1 billion in the first half of 2024, which was part of a broader emerging market trend with a number of emerging stock markets seeing negative returns over the period. Over the period under review, as well as over the last 3 years, emerging markets have, in general, underperformed the major global indices and, in particular, the US market which has been led by a number of high-flying technology stocks.

## Performance

In terms of the Company's performance, VEIL's NAV per share increased by 6.0% in the first half of 2024, on par with the VNI's 6.0% gain, both in US\$ terms. In GBP terms, VEIL's NAV per share increased 6.9% over the same period. The main contributors to the Company's performance came from the retail and software & services sectors, with two of VEIL's top holdings, Vietnam's leading retailer Mobile World Group (Ticker: MWG) and the country's leading software solutions and technology group FPT Corporation (Ticker: FPT) seeing particularly strong performances. The three-year performance has been rather disappointing as the significant foreign selling has put downward pressure on a number of the larger stocks that foreigners favour which have featured in VEIL's portfolio. It is hoped that this trend will reverse as Vietnam's strong fundamentals attract foreigners back into the market. Within the portfolio there has been some rebalancing to create a more balanced and diversified portfolio to reflect the current economic landscape. There is more detail on the performance and portfolio in the Portfolio Manager's Report that follows.

# 1. Chair's Statement (Continued)



## Fee Reduction

As announced in December 2023, the Management Fee was reduced to a flat rate of 1.5% p.a. with effect from 1 July 2024.

## Share Buybacks

The discount started the period at 18.1%, and widened slightly to 19.0%, at the end of the period, which is in line with the general trend in the Investment Trust industry where discounts have remained under pressure. In the first half of 2024, US\$44.0 million was spent repurchasing 5,903,009 shares (compared to 1,906,589 shares in the first half of 2023 and 5,698,692 shares for CY2023), which represents 2.9% of the weighted average of outstanding shares. The average discount at which shares were bought back was 18.7% over the period. These share repurchases resulted in a 0.71% accretion to NAV per share over the six months.

We continue to actively monitor our share price and discount to NAV. We believe that the key to narrowing the discount will be stronger NAV performance and an improvement in investor sentiment towards Vietnam. In addition, we feel that steps taken to improve marketing and lower fees will help to support investor demand. However, we remain committed to executing buybacks when deemed appropriate to generate accretive value for shareholders.

## Outlook

It has been a challenging time for investors in Vietnam and emerging markets over the last few years as investors' focus on a narrow selection of US tech stocks, coupled with political worries in China and elsewhere has resulted in foreign selling and underperformance of the stock markets. Geopolitical risks still remain and Vietnam's increasing dependence on the global supply chain and its large trade surplus with US make it vulnerable to any global disruption or any potential protectionism resulting from a Trump victory in US elections. However, robust consumer spending, supportive fiscal policies and resilient FDI inflows should underpin Vietnam's superior economic growth. With domestic inflation under control and global rate cuts on the horizon, any easing of exchange rate pressures should enable further cuts in domestic interest rates which would be supportive for Vietnam's stock market.

Earnings per share are expected to grow in the high teens in 2024, putting the market on a forward price/earnings ratio of around 12x, which is cheap both relative to Vietnam's recent history and also relative to other Asian and global markets. At current valuations the Directors believe that the large and experienced team of research analysts and the emphasis on high quality companies with clear earnings visibility should reward investors over the longer term.

Sarah Arkle  
Chair  
Vietnam Enterprise Investments Limited  
19 September 2024

## 2. Portfolio Manager's Report



### Performance Overview

Vietnam Enterprise Investments Limited ("VEIL" or the "Company") achieved an NAV per share increase of 6.0% in the first half of 2024, in line with the 6.0% gain of the Vietnam Index ("VNI") in Total Return USD ("TR\$") terms. This performance was supported by a positive economic backdrop in the first half of 2024. Vietnam's Gross Domestic Product ("GDP") growth was strong, driven by an 8.8% rise in domestic consumption, indicating a recovery in the retail sector. The Government's pro-growth policies and low interest rates further enhanced business conditions, and despite changes at senior government levels, the commitment to supporting industry and economic growth remained steadfast.

These favourable economic conditions were reflected in the performance of our key investment sectors. The retail and banking sectors were particularly strong contributors to VEIL's overall performance, benefiting from a low-rate environment and increased credit growth. The software & services sector was a standout performer with international interest growing around the AI and semiconductor themes. The materials & resources sector also achieved strong growth, but real estate was the notable laggard, with a sector-wide decline in earnings due to slow progress in project delivery and slowed government decision-making at municipal levels. However, the new Land Laws, effective 1 August 2024, aim to speed this up.

In response to the positive economic developments in the first half of 2024 we carried out strategic rebalancing activities. We reduced our positions in highly concentrated names such as Asia Commercial Bank ("ACB"), Vietnam Prosperity Bank ("VPB"), and Hoa Phat Group ("HPG"). This allowed us to increase our exposure to the retail and software & services sectors, as well as selectively top up in banking stocks that have higher growth potential. We invested in companies within the retail, manufacturing, real estate & construction, and transportation sectors that are well-positioned to benefit from Vietnam's core growth drivers and outperform the market. These adjustments ensure a more balanced and diversified portfolio that aligns with the current economic landscape and growth opportunities.

### Attribution Analysis

#### The Software & Services Sector

The software & services sector was a key contributor to VEIL's performance in the first half of 2024 (+1.44% of alpha) with FPT Corporation ("FPT") adding 1.49% of alpha. FPT's share price rose 49.9% in the first half of 2024, with the company benefitting from its US\$200 million AI partnership signed with NVIDIA and optimism following the March acquisition of the Japanese IT services company Next Advanced Communications NAC Co, Ltd. ("NAC"). FPT reported solid results for the first half of 2024, with revenue of US\$1.2 billion and net profit after tax and minority interest ("NPATMI") of US\$144 million, up 21.4% and 22.3% year-on-year, respectively. Revenue and Pre-tax Profit in the company's global IT services division rose 30% and 25% year-on-year, with revenue in Japan rising 35.2% compared to the first half of 2023, partly attributed to the NAC acquisition. With FPT securing 27 major contracts valued at over US\$5 million each within the first half of 2024, we have high conviction in FPT's ability to achieve long-term profitability.

#### The Retail Sector

Core to our investment theme in this sector is the rise of domestic consumption. The retail sector contributed 0.16% of Alpha to VEIL in the first half of 2024. We increased the position in Mobile World Group ("MWG") whose performance for the first half of 2024 showed clear margin recovery, profit normalisation in consumer electronics, and improvements in its grocery chain Bach Hoa Xanh ("BHX"). BHX is a key driver for future growth and has now turned profitable after 18 months of successful restructuring. We also added FPT Retail ("FRT") which has one of the country's largest pharmacy chains, Long Chau Pharmacy. Central to FRT's investment case, Long Chau reported NPATMI growth for the first half of 2024 of 93.0% year-on-year after increasing the total store count to over 1,700 from approximately 1,500 at the beginning of the year.

Aligning with our strategic focus on leading companies within the retail sector, the increased exposure through MWG and FRT has proved fruitful with stock price returns for the first half of 2024 of 40.1% and 57.7%, respectively (in TR\$ terms). Both companies increased their customer base and enjoyed better-than-expected margin improvements. Their significant market share gains and strong bargaining power enabled swift profit turnarounds through operational leverage. We believe they will continue to exhibit excellent growth in 2024 as the gradual recovery of domestic consumption and retail confidence continues.

## 2. Portfolio Manager's Report (Continued)



### The Banking Sector

The banking sector was out of favour last year but has been performing well in 2024. The sector contributed 0.56% of alpha to VEIL in the first half of 2024, with top holdings TechcomBank ("TCB") and MB Bank ("MBB") reporting encouraging results. We believe most of the key banking metrics have now bottomed out; non-performing loans ("NPLs"), have remained unchanged at a ratio of 1.9% compared to the same period in 2023, net interest margins ("NIM") should improve due to expected Fed cuts likely reducing FX and policy rate pressures, and credit growth was strong at 6.0% for the first half of 2024, an increase of 15% year-on-year. However, divergence in earnings between state-owned commercial banks ("SOCBs") and private commercial banks appeared. This was due to SOCBs conforming to political mandates to support the economy through lower lending rates than their commercial counterparts, resulting in reduced NIM and lower earnings growth.

TCB's NPATMI for the first half of 2024 was US\$488 million, +38.7% year-on-year after a strong recovery in fundamentals; credit growth was among the highest in the sector at 13.0%, driven by a disbursement recovery in mortgages and SMEs. NIM accelerated faster than expected in the second quarter of 2024 by 30bps to 4.65%, and non-interest income continues to maintain high growth. This is mostly thanks to the exceptional performance of its brokerage arm TCBS, which recorded profit before tax for the second quarter of 2024 of approximately US\$307 million, +38.6% year-on-year and +38.5% quarter-on-quarter.

MBB reported NPATMI of US\$417 million, +6.5% year-on-year. Similar to TCB, MBB saw strong credit growth of 9.4% in the first half of 2024, a significant increase from just 0.4% in the first quarter of 2024. Asset quality improved as NPLs decreased to 1.6% in the second quarter of 2024 from 2.5% in the first quarter of 2024, and NIM improved by approximately 50bps thanks to a 50bps quarterly decline in cost of funds and nearly a 20bps increase in gross yield.

With the Government steadfast in its pro-growth monetary and fiscal policies, we expect this to promote healthy commercial conditions and drive credit demand, benefiting the overall banking sector, particularly those exhibiting strong credit growth potential.

### The Real Estate & Construction Sector

The real estate & construction sector faced challenges with a 36.1% year-on-year decline in NPATMI, showing similar trends for both residential and industrial property developers and delivering negative alpha for VEIL of -0.53%. The weak earnings stem from the government personnel changes that delayed project handovers and new launches. However, the sector is gradually recovering, with profits more than doubling in the second quarter of 2024 compared to the previous quarter. Our full-year forecast currently stands at 10.2% drop in NPATMI, pending project handovers and several bulk sales transactions in the second half of 2024.

We have increased our holdings in selected residential developers that we believe will benefit most from the new Land Laws and be among the first movers to perform within the sector. These included Khang Dien House ("KDH") and new addition Nam Long Group ("NLG"). Both have substantial clean land banks and promising new project pipelines which is a significant advantage over other developers, who may have to acquire land and legal approvals, a costly and potentially time-consuming process.

KDH performed well for VEIL, with its stock price increasing 12% in TR\$ terms. The company is one of the safest mid-cap property development names with a very good track record of successfully issuing legal paperwork and delivering projects. We introduced NLG to the portfolio as it is a standout among mid-cap developers due to its sizeable and ready-to-go land banks, proven execution capabilities, and low-risk profile. We believe NLG will recover with strong revenue growth into 2025 as the wider sector picks up momentum.

Dat Xanh Group ("DXG") is a mid-end property developer with very good land bank locations that should command high prices once the anticipated sector recovery builds momentum. However, DXG was a significant laggard for VEIL, with its stock price declining 21.2% and delivering negative alpha of -0.57%. This was mainly due to the failure of achieving material progress in launching new projects, but we believe once the company begins launching as the sector recovers it will likely catalyse a re-rating of the stock and deliver significant upside for VEIL.

## 2. Portfolio Manager's Report (Continued)



Within the industrial property segment, industrial park operator Kinh Bac City ("KBC") had a strong year with net sales of US\$231 million in 2023. However, net sales for the first half of 2024 were negative US\$41 million, a decrease of 77.1% year-on-year resulting, in negative alpha for VEIL of -0.26%. This was in part due to slow government approval of their landbanks that lead to slow pre-sales. However, we anticipate this to be resolved in the third and fourth quarters of 2024. Compounding this was a backlog in the first half of 2024 earnings for the booking of approximately 40 ha. of industrial parks. However, KBC is long-term hold for VEIL, with future earnings potential deriving from its substantial clean landbanks, strong project pipeline, and sustained high levels of FDI.

Overall, we remain optimistic about a potential recovery in the second half of 2024. The low-rate environment should boost homebuyer confidence with attractive mortgage terms, and the new Land Laws are expected to address legal issues over time and reinvigorate delayed projects. The legal framework will favour larger developers with existing land banks, likely making the recovery selective. Notably, real estate transactions have slowly recovered, with higher volume in the secondary market. Primary market data shows approximately 12,500 new apartments were launched in the first half of 2024 (up 65% year-on-year), with nearly 10,000 launched in the second half of 2024. Demand is also higher, with approximately 14,000 units sold in the first half of 2024 versus 7,000 in the first half of 2023.

### The Transportation Sector

The overall transportation sector saw a negative alpha contribution to VEIL of -0.54% in the first half of 2024. This was largely due to the strong performance of Vietnam Airlines ("HVN") which is 1.45% of the VNI. We do not own HVN due to its high valuation, and its stock price increased sharply in the second quarter of 2024 by 158.4% (in TR\$ terms).

However, our key representative in the sector is Airports Corporation of Vietnam ("ACV"), which reported NPATMI of US\$241 million in the first half of 2024, 44.9% higher than that of the first half of 2023. This was reflected in a stock price increase of +76.2% (in TR\$ terms) in the first half of 2024, contributing +0.22% of alpha. ACV's strong stock performance and increased earnings stemmed from the significant recovery in tourism surpassing 2019 levels, reaching 8.8 million foreign arrivals in the first half of 2024, reaffirming our conviction for the recovery in tourism.

### The Materials & Resources Sector

Hoa Phat Group ("HPG") is Vietnam's largest steel producer. The company's investment appeal lies in its dominant market position, expanding production capacity, and expansion initiatives that drive significant revenue. Revenue and earnings for the first half of 2024 have been recovering well after a tough 2023. In the first half of 2024, net sales reached US\$2.8 billion, +25.5% year-on-year and NPATMI was US\$243 million, +233.2% year-on-year. This strong recovery suggests a warming up of public spending and private construction, playing into our investment theme of infrastructure and real estate recovery. HPG stock price increased 6.2% (in TR\$ terms) in the first half of 2024, contributing +0.02% of alpha to VEIL. Currently, China's low steel price poses potential margin concerns, but Vietnam has recently proposed anti-dumping legislation that aims to address this issue within the next 3-6 months. Furthermore, HPG plans to expand into the Middle East, South America, and Africa, reducing concentration risk and potential anti-dumping tariffs in other export markets.

Hoa Sen Group ("HSG") was a new addition to VEIL in the first half of 2024. HSG specialises in galvanised steel and posted solid results in the first half of 2024. Net sales were US\$789 million and NPATMI reached US\$23.2 million, an increase of 28.6% and 123.7% year-on-year, respectively. This impressive performance was supported by a significant expansion in gross profit margin, notably benefiting from improved pricing spreads between galvanised products and input costs. However, stock performance for the first half of 2024 was relatively muted at +2.5% considering the company's results, contributing negative alpha to VEIL of -0.18%. Despite this, we anticipate HSG to continue to perform well in line with the anticipated infrastructure and real estate recovery, further bolstered by the potential Chinese anti-dumping proposal.

### Adjustment of Unlisted Equity Investments

As of 30 June 2024, VEIL holds only one unlisted equity investment, which relates to a company in the real estate & construction sector. VEIL entered into this transaction in June 2022 with certain terms and conditions that protect its interests. The carrying value of HTL in VEIL's portfolio is based on the valuation of the cash flow of its payment plan. During the period covered by this report, VEIL adjusted the payment plan after HTL's failure to meet scheduled payments in a timely manner, which has affected the carrying value of HTL. This is specified in Note 13(A) (iii) under the Notes to the Condensed Interim Financial Statements.

## 2. Portfolio Manager's Report (Continued)



### Environmental, Social and Governance

Each investment made by the Company undergoes a comprehensive Environmental, Social, and Governance ("ESG") screening process established by its Investment Manager, Dragon Capital group (the "Group"). Grounded in the International Finance Corporation ("IFC") performance standards, this process has been in place since 2016. This year, the Group is revising its ESG policies and procedures to incorporate the ten principles of the United Nations Global Compact (UNGC). These principles, which encompass human rights, labour standards, environmental protection, and anti-corruption measures, are based on internationally recognised declarations and conventions.

In upgrading our ESG management system, the Group draws on international standards and frameworks, including those of the Task Force on Climate-related Financial Disclosures (TCFD), the Sustainable Finance Disclosure Regulation (SFDR), the Sustainability Accounting Standards Board (SASB), and the Sustainable Banking Assessment (SUSBA). By incorporating relevant indicators from these frameworks, we aim to reflect best practices across our investment universe. Additionally, we directly engage with investee companies to enhance ESG standards, benefiting our investee companies, Vietnam, and our Shareholders.

### Outlook

In summary, VEIL's performance in the first half of 2024 was underpinned by a recovering economic environment, supported by government policies aimed at fostering growth. The continued strength in key sectors such as banking, manufacturing, services, and tourism, along with robust FDI and export growth, has set a solid foundation for future growth. The Government's commitment to a pro-growth agenda, including maintaining low interest rates and implementing supportive fiscal measures, has been crucial in sustaining this positive trajectory.

These policies have mitigated the impact of global economic pressures, particularly the strong US dollar, which has exerted pressure on the Vietnamese dong. However, recent US economic data points to a potential Fed rate cut sooner than anticipated, which could ease FX pressures. If this does not materialise, we believe the State Bank of Vietnam will successfully manage the currency through policy interventions that remain pro-growth.

The implementation of the Land Laws in August is expected to stimulate the real estate market, which in turn should boost credit growth through developer loans and retail mortgage demand, thereby bolstering banking sector profits. The materials & resources sector is also likely to benefit as property developments and infrastructure projects get underway.

Our Portfolio Manager's forecast at the beginning of the year of 15-18% NPATMI growth for their Top-80 stock universe is unchanged. Year-to-date market returns demonstrate a robust, alpha-driven market, underscored by a pronounced bias towards stock selection based on earnings and corporate outlooks. We, therefore, maintain our focus on high-quality companies with clear earnings visibility, which will be key in driving stock price returns. We may also take part in capital-raising activities for both private and listed companies as opportunities arise, driven by the ongoing increase in credit demand.

Looking ahead, we remain confident that 2024 will be a year of growth and recovery. With GDP for the first half of 2024 coming in strongly at 6.4%, we believe macroeconomic headwinds are unlikely to derail Vietnam's current growth path. We may also take part in capital-raising activities for both existing and prospective investee companies as opportunities arise, driven by the ongoing increase in capital demand.

Le Anh Tuan  
Lead Portfolio Manager  
Vietnam Enterprise Investments Limited  
19 September 2024



**Le Anh Tuan, Lead Portfolio Manager,  
at the AGM on 25 June 2024 in London.**

Le Anh Tuan, MA of Corporate Finance from the University of Economics Ho Chi Minh City, commenced his career in Internal Auditor & Planning Dept in a Singaporean FMCG Co. for the period from 2003 to 2006. Tuan joined Dragon Capital in 2006 as Senior Analyst focusing on property and agri-fishery sectors, and was promoted to Deputy Portfolio Manager of VEIL in 2010. In May 2013, Tuan moved to a SMA mandate for an European Sovereign Wealth Fund as Deputy Portfolio Manager. In 2016, Tuan was further promoted to the sole Portfolio Manager of the SMA, demonstrating exemplary growth not only as a portfolio manager but also in his leadership acumen. Since February 2024, Tuan became VEIL's Lead Portfolio Manager.



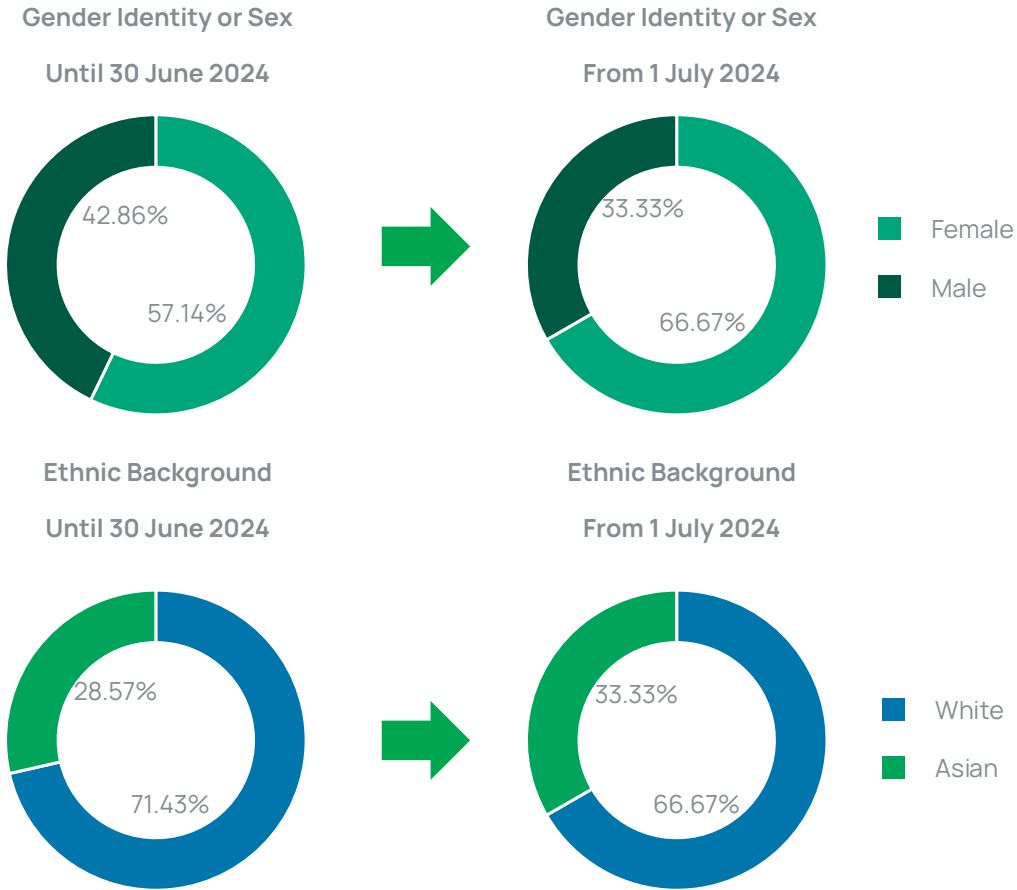
# 3. Board of Directors

## Board Committee Composition until 30 June 2024 and from 1 July 2024

Director	Risk Management		Management Engagement		Nomination and Remuneration		Audit and Compliance	
	2024-06-30	2024-07-01	2024-06-30	2024-07-01	2024-06-30	2024-07-01	2024-06-30	2024-07-01
Sarah Arkle	-	-	C	M	-	M	M	-
Vi Peterson	M	M	-	-	C	C	-	-
Entela Benz-Saliasi	C	C	-	M	M	-	-	M
Low Suk Ling	M	M	-	-	-	-	C	C
Charles Cade	-	-	M	C	-	-	M	M
Dominic Scriven O.B.E	-	-	-	-	-	-	-	-
Gordon Lawson <sup>1</sup>	-	N/A	M	N/A	M	N/A	-	N/A

<sup>1</sup> Gordon Lawson resigned on 30 June 2024.  
C = Chair / M = Member

## Gender and Ethnic Diversity until 30 June 2024 and from 1 July 2024



## 3. Board of Directors (Continued)



### Ownership in VEIL as of 30 June 2024

Director	Status	Appointed	Years on Board	Ownership in VEIL	
				Share	%
Sarah Arkle	Independent	2022	2	9,696	0.09%
Vi Peterson	Independent	2018	6	-	-
Entela Benz-Saliasi	Independent	2019	5	-	-
Low Suk Ling	Independent	2021	3	-	-
Charles Cade	Independent	2023	1	15,000	0.01%
Dominic Scriven O.B.E	Non-Independent	1995	29	178,423	0.01%
Gordon Lawson	Independent	2014	15	25,000	0.01%
				<b>228,119</b>	<b>0.12%</b>

All directors are Non-Executive.

### Chair & Independent Non-Executive Director (from July 2024)

Appointed January 2022

#### Sarah Arkle

Sarah is an investment professional with over thirty years' experience. Originally working for Save and Prosper Group and WI Carr (Overseas) Ltd, she joined Threadneedle Asset Management (now Columbia Threadneedle) in 1983. She held various positions there, including ten years as Chief Investment Officer before retiring in 2011. She was a non-Exec Director of F&C Investment Trust and Janus Henderson Group PLC and was Chair of JPMorgan Emerging Markets Investment Trust until 2022. Since 2011 Sarah has been a member of the Prince's Trust Women Supporting Women Group.



### Senior Independent Non-Executive Director (from November 2023)

Chair of the Nomination and Remuneration Committee (from November 2023)

Appointed April 2018

#### Vi Peterson

Vi is an international business consultant based in Melbourne Australia, with extensive experience across a diverse range of senior management roles and non-executive directorships in the private sector, public sector (trade diplomacy) and not-for-profit / university sector. She came back in 1993 to establish the ANZ Bank's greenfield operations in Vietnam. She later served as Australia's Senior Trade Commissioner to Vietnam until 1999. In 2000 she established a consultancy firm specialising in the provision of strategic advice to companies operating in emerging markets, helping them to navigate the complex political, cultural and regulatory environment in Asia. Concurrently until 2021, she was the co-founder and Executive Director of The Alliance for Safe Children, a US not-for-profit corporation with a global mission to reduce the rising toll of child mortality arising from preventable injuries in Asia by advocating and raising funds for prevention program with governments and institutional donors.



## 3. Board of Directors (Continued)



### Independent Non-Executive Director

#### Chair of the Risk Management Committee (from November 2023)

Appointed May 2019

#### Entela Benz-Saliasi

Entela holds a PhD in Financial Asset Management and Engineering from Swiss Finance and Banking Institute, a postgraduate degree from Linacre College, Oxford and MPhil from IUHEI, Geneva, Switzerland. She has served as Adjunct Associate Professor at Department of Finance, HKUST Business School, Finance Department in Hong Kong for more than 16 years. Alongside teaching, she has been acting as a consultant for Sustainable and Climate Investing since 2007. She has done extensive academic and industry work on asset pricing as well as the value of climate risk on company financial performance for leading financial institutions. She is also the founder and CEO of Intensel, a global-award winning (COP28) company on AI and Climate Solutions leveraging ML/Deep Learning, geospatial and satellite data for mapping climate-related financial risk. She sits on various pro-bono boards in Hong Kong and the Philippines. As a financial professional she worked in the investment bank and hedge fund industry including analyst in UBS (2007, HK), Longitude Investment SA (1999, Switzerland) and a Director in Security and Exchange Commission (1997, Albania), before moving into an academic, consultancy and entrepreneurship role. Given the wealth of expertise spanning across academia and industry, she has acquired a comprehensive experience in strategy, risk management, financial statements, accounting policies, practices, and governance. She is a frequent speaker in large conference from The Economist to CLSA Forum etc



### Independent Non-Executive Director

#### Chair of the Audit and Compliance Committee (from November 2023)

Appointed July 2021

#### Low Suk Ling

Suk Ling currently serves as General Counsel for Marsh McLennan Asia, a global professional services firm with business in risk management, insurance and investment advising. In this role, she looks after legal and compliance at Marsh and Mercer in Asia.



## 3. Board of Directors (Continued)



### Independent Non-Executive Director

#### Chair of the Management Engagement Committee (from July 2024)

Appointed October 2023

#### Charles Cade

Mr. Cade is an investment professional with over 25 years' experience in investment companies. He was among the leading analysts throughout his career at Numis Securities, Winterflood Securities, HSBC and Merrill Lynch. He joined the City following an MBA, having previously worked for a consultancy firm and as an economist in the UK government. He is currently a non-executive director of Temple Bar Investment Trust, a member of the investment committee of the Rank Foundation charity, and an independent consultant to interactive investor.



### Non-Executive Director

Appointed May 1995

#### Dominic Scriven O.B.E

Born in Britain, Dominic is a graduate in Law and Sociology from Exeter University. After spells in finance in London and Hong Kong, he has spent the past 30 years at the head of Dragon Capital, Vietnam's largest private asset manager. He was appointed OBE by the British Queen in 2006, and received a Labour medal from the Vietnamese President in 2014. In business, Dominic is an active promoter of financial market development, good governance and sustainability, with a particular focus on Natural Capital, that in 2019 led to the endowment of the Dragon Chair in Biodiversity Economics at Exeter University. Privately, his interests range from Vietnamese art - to biodiversity and eliminating the illegal trade in wildlife.



### Chair & Independent Non-Executive Director (from July 2022 to 30 June 2024)

Appointed July 2014 / Resigned June 2024

#### Gordon Lawson

Gordon has many years of experience in the City, latterly as head of equity proprietary trading and EMEA equity, derivatives and convertible bond risk at Salomon/Citigroup and then as the founder of Pendragon Capital, a large event-driven hedge fund. Gordon is an adviser to several funds, sits on the Advisory Boards of several companies and funds, including Bridges Ventures and is Chair of Parkwalk Advisors.



## 4. Annual General Meeting



The Annual General Meeting (“AGM”) of Vietnam Enterprise Investments Limited (the “Company”) was held at The Stationer’s Hall, Ave Maria Ln, London EC4M 7DD, United Kingdom on 25 June 2024 at 12:00 pm (UK time).

Resolutions 1-9 were proposed as the ordinary resolutions which requires a majority of shareholders present, in person or by proxy, to vote in favour in order to be passed.

Resolution 10 was proposed as the special resolution which required not less than three-quarters of shareholders present, in person or by proxy, to vote in favour in order to be passed.

### Ordinary Resolutions

#### Ordinary Business

- 1) THAT the audited financial statements for the year ended 31 December 2023 together with the auditor’s and Directors’ reports thereon be adopted.
- 2) THAT KPMG Limited of Vietnam be re-appointed as the auditor of the Company for the ensuing year at a fee to be agreed by the Directors.
- 3) THAT Charles Cade be elected as a Director of the Company.
- 4) THAT Vi Peterson be re-elected as a Director of the Company.
- 5) THAT Entela Benz-Saliasi be re-elected as a Director of the Company.
- 6) THAT Low Suk Ling be re-elected as a Director of the Company.
- 7) THAT Sarah Arkle be re-elected as a Director of the Company.
- 8) THAT Dominic Scriven be re-elected as a Director of the Company.

#### Special Business

- 9) THAT the proposed investment policy set out in Appendix 2 to the circular to shareholders dated 30 May 2024 be and is hereby approved and adopted as the investment policy of the Company in substitution for, and to the exclusion of, all previous investment policies of the Company.

### Special Resolution

- 10) THAT the Company be generally and unconditionally authorised to make market purchases of its Ordinary Shares.



# 4. Annual General Meeting (Continued)



## 4. Annual General Meeting (Continued)



### Resolution 9: Change to Investment Policy

The Company proposed at the AGM to adopt a revised investment policy which was substantially the same as the existing policy, but with an amendment to one of the investment restrictions to provide the Company with flexibility to increase its total exposure to any one industrial sector, with an upper limit determined by reference to the weight of the relevant sector in the reference index used by the Company, the Vietnam Index (the "VN Index"), calculated at the time of investment.

Details are set out below and the full text of the revised and adopted investment policy is included at the end of this section (with the amendments shown in bold, underlined text).

#### Proposed Amendments

The existing investment policy of the Company contained several investment restrictions, including that:

"The Company will observe the following investment restrictions in each case calculated at the time of investment:

- a) no more than 20 per cent. of the gross assets of the Company may be exposed to the creditworthiness or solvency of a single counterparty;
- b) no more than 20 per cent. of the gross assets of the Company may be invested in any one issuer; and
- c) no more than 40 per cent. of the gross assets of the Company may be invested in any one industrial sector."

The Company proposed at the AGM to amend the restriction relating to industrial sector exposure from:

"no more than 40 per cent. of the gross assets of the Company may be invested in any one industrial sector"

to:

"no more than 40 per cent. (or, if higher, the relevant sector weight in the Vietnam Ho Chi Minh Stock Index, the "VN Index" +5 per cent.) of the gross assets of the Company may be invested in any one industrial sector."

This change would mean, for example, that if an industrial sector constituted 20% of the VN Index, then the Company would be permitted exposure up to a maximum of 40%, but if an industrial sector constituted 50% of the VN Index, then the Company would be permitted exposure up to 55%.

### Rationale for Proposed Change

The investment objective of the Company "is to achieve medium- to long-term capital appreciation of its assets", and the Company uses a three-year rolling average of the VN Index, a capitalisation-weighted index of all companies listed on the Ho Chi Minh City Stock Exchange ("HOSE"), as its reference index.

In light of recent macro-economic trends in Vietnam, as at 30 May 2024 the banking industry sector weighting represented c.40% of the VN Index having almost doubled in the preceding five years. The Company was of the view that it would remain an important and sizeable sector for the foreseeable future (at least in the short to medium term), and, therefore, the Company considered exposure to the banking sector as a key focus. As at the end of the first quarter of 2024, the banking sector accounted for c.39.7% of the Company's allocation.

Given this weighting and expected importance of the banking industry sector, and in order to facilitate the Company's performance against its reference index, the Company proposed to increase the maximum permitted exposure from a flat 40% to the higher of 40% and the relevant sector weight in the VN Index plus 5%, thereby providing increased flexibility in its sectoral allocation.

While the proposed change was driven by the current weighting of the banking sector in the VN Index, the Company proposed that the new limit should simply apply to "any one industrial sector" rather than amending the limit for the banking sector only. For the avoidance of doubt, the limit will be measured with reference to the VN Index at the point of investment.

The Company expects that, strategically, it will adjust its exposure to any industrial sector in the event of a material change to the relevant weighting in the VN Index, subject, of course, to market conditions.

Notwithstanding the proposed amendment, the Company will continue to manage its assets in a way which is consistent with its objective of spreading investment risk.

Despite the increased flexibility in respect of sectoral allocation(s) as result of the revised investment restriction, the other investment restrictions would remain unchanged. Moreover, the Investment Manager regularly monitors the Company's investment exposure on both a sector- and company-level to further ensure an appropriate spread of investment risk. As such, the Company believes the overall investment risk profile will remain broadly unchanged.

For the avoidance of doubt, all investments in the Company's portfolio, including non-listed investments are captured by the revised investment restriction.

## 4. Annual General Meeting (Continued)



### Revised and Adopted Investment Policy

#### Investment Objective

The investment objective of the Company is to achieve medium- to long-term capital appreciation of its assets.

#### Investment Policy

##### Asset allocation

The Company seeks to achieve its investment objective by investing in companies primarily operating in, or with significant exposure to, Vietnam.

Whilst the Company's portfolio will reflect a focus on Vietnam, VEIL may also invest up to, in aggregate, 20 per cent. of Net Asset Value ("NAV") at the time of investment, in companies operating in, or with significant exposure to Cambodia and Laos.

The Company expects that the majority of the investments comprising the portfolio will be equity securities admitted to trading on the HOSE, the Hanoi Stock Exchange (HNX), the Unlisted Public Company Market (UPCoM) or on other stock exchanges.

The Company may, nonetheless, invest in unlisted equity securities and listed or unlisted debt securities or loan instruments.

The investee companies in which the Company will invest may have any market capitalisation and may operate in any industry. In respect of the debt securities in which the Company may invest, these may be fixed or floating rate and may have any credit rating or may be unrated.

The Company may seek exposure to securities directly or indirectly and the Company may use derivatives for investment purposes and efficient portfolio management.

The Company may invest in investment companies that have, as their main objective, a focus on investing in securities falling within the Company's investment policy.

Investments in other investment companies will not exceed 10 per cent. of NAV at the time of investment.

The Company does not intend to take legal or management control of any investee company.

The Company may also hold cash or other short-term investments such as commercial paper or certificates of deposit.

Under normal market conditions, it is expected that the Company will be substantially fully invested in investments meeting its investment policy.

However, where considered prudent to do so (for example, in the event of a lack suitable investment opportunities or in times of falling markets or market volatility), the Company's portfolio may reflect a significant weighting to cash or other short-term investments.

##### Investment Restrictions

The Company will observe the following investment restrictions in each case calculated at the time of investment:

- a) no more than 20 per cent. of the gross assets of the Company may be exposed to the creditworthiness or solvency of a single counterparty;
- b) no more than 20 per cent. of the gross assets of the Company may be invested in any one issuer; and
- c) no more than 40 per cent. **(or, if higher, the relevant sector weight in the Vietnam Ho Chi Minh Stock Index, the "VN Index", +5 per cent.)** of the gross assets of VEIL may be invested in any one industrial sector.

##### Borrowing

The Company is permitted to borrow money and to charge its assets. The Company will not have aggregate borrowings in excess of 20 per cent. of the Company's NAV at the time of borrowing.

The Company may borrow for the purposes of capital flexibility, including for investment purposes.

The Board of Directors will oversee the level of gearing in the Company, and will review the position with the Investment Manager on a regular basis.

##### Changes to investment policy

No material change will be made to the investment policy without the approval of shareholders by ordinary resolution.

In the event of a breach of the investment and borrowing restrictions set out in the investment policy, the Investment Manager shall inform the Board of Directors upon becoming aware of the same and if the Board of Directors considers the breach to be material, notification will be made to a Regulatory Information Service.



## 4. Annual General Meeting (Continued)



### Resolution 10: Own Share Purchases

The Board of Directors intends to continue the Company's active discount management policy and to effect share purchases from time to time if they believe it to be in shareholders' interests as a whole and as a means of correcting any imbalance between the supply of and demand for the Company's shares. Whilst, as a Cayman Islands exempted company, the Company has an authority to undertake purchases of its shares without the need for a further shareholder approval, the Company seeks a shareholder approval to undertake share purchases, at the Directors' discretion, at each AGM.

Accordingly, at the 2024 AGM, the Board of Directors sought shareholder approval to continue its policy of being able to undertake share purchases up to a maximum amount equal to 14.99 per cent. of the issued share capital (excluding shares held in treasury) as at 29 May 2024 (i.e. 29,550,367 shares).

The Directors will only make such repurchases through the market at prices (after allowing for costs) below the relevant prevailing NAV per share under the guidelines established from time to time by the Board of Directors.

Purchases of shares may be made only in accordance with Cayman Islands law, the UK version of the Market Abuse Regulation (EU) No. 596/2014 (the "UK Market Abuse Regulation") (which forms part of UK law by virtue of the European Union (Withdrawal) Act 2018), the Listing Rules and the Disclosure Guidance and Transparency Rules of the UK Financial Conduct Authority ("FCA").

Under the Listing Rules of the FCA, the maximum price that may be paid by the Company on the repurchase of any shares pursuant to a general authority is 105 per cent. of the average of the middle market quotations for the shares for the five business days immediately preceding the date of purchase or, if higher, that stipulated by technical standards referred to in Article 5(6) of the UK Market Abuse Regulation. The minimum price which may be paid for each Ordinary Share is US\$0.01. Shares repurchased by the Company may be cancelled or held in treasury.

Any purchase of shares by the Company will be notified by an announcement through a Regulatory Information Service by no later than 7.30 am (UK time) on the following business day.

Shareholders should, however, note that any purchase of shares by the Company is at the absolute discretion of the Directors and is subject, amongst other things, to the amount of cash available to the Company to fund such purchases. No expectation or reliance should be placed on the Directors exercising such discretion on any one or more occasions.

## 5. Report of the Board of Directors



The Directors of Vietnam Enterprise Investments Limited (the "Company") present their report and the condensed interim financial statements of the Company for the six-month period ended 30 June 2024.

### Principal Activity

The Company is an investment holding company incorporated as an exempted company with limited liability in the Cayman Islands on 20 April 1995. The shares of the Company have been listed on the main market of the London Stock Exchange since 5 July 2016 (until 4 July 2016: listed on the Irish Stock Exchange). The principal activity of the Company is investing directly or indirectly in a diversified portfolio of listed and unlisted securities in Vietnam.

### Results and Dividends

The Company's profit for the six-month period ended 30 June 2024 and its financial position at that date are set out in the attached condensed interim financial statements. The Directors have taken the decision not to pay a dividend in respect of the six-month period ended 30 June 2024 (six-month period ended 30 June 2023: Nil).

### Share Capital

Details of movements in the Company's share capital during the period are presented in Note 8. As at 30 June 2024, the Company had 195,123,977 Ordinary Shares and 1,000 Management Shares outstanding (31 December 2023: 201,026,986 Ordinary Shares and 1,000 Management Shares outstanding).

### Directors

The Directors of the Company during the period were:

Non-Executive Director:

- Dominic Scriven O.B.E

Independent Non-Executive Directors:

- Sarah Arkle – Chair (since 1 July 2024)
- Gordon Lawson – Chair (until 30 June 2024)
- Vi Peterson – Senior Independent Non-executive Director
- Entela Benz-Saliasi
- Low Suk Ling
- Charles Cade

In accordance with Article 91 of the Restated and Amended Memorandum and Articles of Association (the "Articles"), the Independent and Non-independent Non-executive Directors are required to submit themselves for re-election at the next occurring Annual General Meeting ("AGM").

Save for Gordon Lawson, who resigned from the Board effective 30 June 2024, all of the Independent Non-executive Directors were duly re-appointed at the AGM held on 25 June 2024 following the expiry of their respective terms. Dominic Scriven O.B.E also submitted himself for re-election and was duly re-appointed.

### Directors' Rights to Acquire Shares or Debentures

At no time during the period was the Company a party to any arrangement to enable the Company's Directors or their respective spouses or minor children to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### Directors' Interests in Shares

Dominic Scriven O.B.E, a Non-executive Director of the Company, is a beneficial shareholder of the Company, holding 178,423 Ordinary Shares of the Company as at 30 June 2024 (31 December 2023: 178,423 Ordinary Shares).

Dominic Scriven O.B.E also has indirect interests in shares of the Company as he is a key shareholder of Dragon Capital Group Limited, the parent company of Dragon Capital Limited which holds the Management Shares of the Company. Dragon Capital Group Limited is also the ultimate parent company of Dragon Capital Management (HK) Limited, which is the Investment Manager of the Company, and Dragon Capital Markets Limited. As at 30 June 2024, Dragon Capital Markets Limited beneficially held 1,685,359 Ordinary Shares (31 December 2023: 1,685,359 Ordinary Shares) of the Company for investment and proprietary trading purposes.

Sarah Arkle, an Independent Non-executive Director until 30 June 2024 and Chair of the Company since 1 July 2024, is a beneficial shareholder of the Company, holding 9,696 Ordinary Shares of the Company as at 30 June 2024 (31 December 2023: 9,696 Ordinary Shares).

Gordon Lawson, Chair of the Company until 30 June 2024, is a beneficial shareholder of the Company, holding 25,000 Ordinary Shares of the Company as at 30 June 2024 (31 December 2023: 25,000 Ordinary Shares).

Charles Cade, an Independent Non-executive Director, is a beneficial shareholder of the Company, holding 15,000 Ordinary Shares of the Company as at 30 June 2024 (31 December 2023: 15,000 Ordinary Shares).

Apart from the above, no other Director had a direct or indirect interest in the share capital of the Company, or its underlying investments at the end of the period, or at any time during the period.

## 5. Report of the Board of Directors (Continued)



### Directors' Interests in Contracts

There were no contracts of significance in relation to the Company's business in which a Director of the Company had a material interest, whether directly or indirectly, at the end of the period or at any time during the period.

### Substantial Shareholders

As at 30 June 2024, the following shareholders owned more than 10 percent of the Company's issued Ordinary Share capital:

Inter Fund Management S.A.

- Number of Ordinary Shares held: 27,423,467
- % of total Ordinary Shares in issue: 14.05%

Bill & Melinda Gates Foundation

- Number of Ordinary Shares held: 24,670,745
- % of total Ordinary Shares in issue: 12.64%

### Subsequent Events

Details of the significant subsequent events of the Company are set out in Note 15 to the condensed interim financial statements.

### Auditors

KPMG Limited, Vietnam

### Directors' Responsibility in Respect of the Condensed Interim Financial Statements

The Board of Directors is responsible for ensuring that the condensed interim financial statements of the Company are properly drawn up so as to give a true and fair view of the financial position of the Company as at 30 June 2024 and of its financial performance and its cash flows for the six-month period then ended.

When preparing these condensed interim financial statements, the Board of Directors is required to:

- adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- comply with the requirements of IAS 34 *Interim Financial Reporting* or, if there have been any departures in the interest of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the condensed interim financial statements;
- maintain adequate accounting records and an effective system of internal controls;

- prepare the condensed interim financial statements on a going concern basis unless it is inappropriate to assume that the Company will continue its operations in the foreseeable future; and
- control and direct effectively the Company in all material decisions affecting its operations and performance and ascertain that such decisions and/or instructions have been properly reflected in the condensed interim financial statements.

The Board of Directors is also responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The important events that have occurred during the six-month period ended 30 June 2024 are described in the Chair's Statement and the Portfolio Manager's Report. A detailed description of the principal risks and uncertainties faced by the Company are set out in the Corporate Governance Statement of the Annual Report for the year ended 31 December 2023.

The Board of Directors has not identified any new principal risks and uncertainties that will impact the remaining six months of the year.

The Directors confirm to the best of their knowledge that:

- the condensed interim financial statements in the interim report have been prepared in accordance with IAS 34 *Interim Financial Reporting* and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the undertakings included in the financial statements taken as a whole as required by the United Kingdom Financial Conduct Authority's Disclosure Guidance and Transparency Rules ("DTR") 4.2.4R;
- the interim report includes a fair review of the information required by DTR 4.2.7R, which provides an indication of important events that have occurred during the period and their impact on these condensed interim financial statements and a description of the principal risks and uncertainties for the remaining six months of the year; and

## 5. Report of the Board of Directors (Continued)



- the interim report includes a fair review of the information required by DTR 4.2.8R, concerning the related party transactions that have taken place in the six-month period ended 30 June 2024 and that have materially affected the financial position or performance of the Company during that period.

The Directors confirm that they have complied with the above requirements in preparing the interim report and condensed interim financial statements.

### Approval of the Condensed Interim Financial Statements

The Board of Directors hereby approves the accompanying condensed interim financial statements which give a true and fair view of the financial position of the Company as at 30 June 2024, and of its financial performance and its cash flows for the six-month period then ended in accordance with IAS 34 *Interim Financial Reporting*.

Signed on behalf of the Board by:

Sarah Arkle  
Chair  
19 September 2024

Vi Peterson  
Senior Independent Non-Executive Director  
19 September 2024

# 6. Independent Auditors' Report on Review of Interim Condensed Financial Statements



KPMG Limited Branch  
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## INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS

To the Shareholders  
Vietnam Enterprise Investments Limited

### Introduction

We have reviewed the accompanying condensed interim financial statements of Vietnam Enterprise Investments Limited ("the Company"), which comprise the statement of financial position as at 30 June 2024, the related statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the condensed interim financial statements ("the condensed interim financial statements"), as set out on pages 22 to 49. Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

### Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements for the six-month period ended 30 June 2024 are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

On behalf of KPMG Limited's Branch in Ho Chi Minh City



Review Report No.: 24-01-00528-24-1

Trần Thị Lê Hằng  
Deputy General Director

19 September 2024

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# 7 Statement of Financial Position

As at 30 June 2024



	Note	30 June 2024	31 December 2023	Change
		US\$	US\$	in %
<b>CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss	5(a)	1,781,686,334	1,740,006,742	
Other receivables		1,168,230	815,918	
Balances due from brokers		7,120,020	3,705,746	
Cash and cash equivalents	6	12,728,939	10,192,455	
<b>TOTAL ASSETS</b>		<b>1,802,703,523</b>	<b>1,754,720,861</b>	<b>2.73</b>
<b>CURRENT LIABILITIES</b>				
Balances due to brokers		7,701,751	8,597,381	
Accounts payable and accruals	7	2,754,087	2,865,772	
<b>TOTAL LIABILITIES</b>		<b>10,455,838</b>	<b>11,463,153</b>	<b>(8.79)</b>
<b>EQUITY</b>				
Issued share capital	8	1,951,248	2,010,278	
Share premium	8	364,606,376	408,590,156	
Retained earnings		1,425,690,061	1,332,657,274	
<b>TOTAL EQUITY</b>		<b>1,792,247,685</b>	<b>1,743,257,708</b>	<b>2.81</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,802,703,523</b>	<b>1,754,720,861</b>	<b>2.73</b>
<b>NUMBER OF ORDINARY SHARES IN ISSUE</b>	<b>8</b>	<b>195,123,977</b>	<b>201,026,986</b>	
<b>NET ASSET VALUE PER ORDINARY SHARE</b>	<b>9</b>	<b>9.19</b>	<b>8.67</b>	<b>6.00</b>

Approved by the Board of Directors on 19 September 2024

Dominic Scriven O.B.E  
Director  
Vietnam Enterprise Investments Limited

The accompanying notes are an integral part of these condensed interim financial statements

## 8 Statement of Comprehensive Income

For the six-month period ended 30 June 2024



	Note	Six-month period ended	
		30 June 2024	30 June 2023
		US\$	US\$
<b>INCOME</b>			
Interest income		9,043	29,533
Dividend income		8,970,781	2,303,925
Net changes in fair value of financial assets at fair value through profit or loss	5(b)	102,009,083	182,904,018
Gains/ (losses) on disposals of investments		5,755,974	(1,251,140)
<b>TOTAL INCOME</b>		<b>116,744,881</b>	<b>183,986,336</b>
<b>EXPENSES</b>			
Administration fees	10	(648,354)	(535,072)
Custody fees	10	(479,915)	(442,978)
Directors' fees	10	(160,000)	(132,500)
Management fees	10	(15,691,821)	(14,996,754)
Legal and professional service fees		(444,421)	(378,594)
Brokerage fees		(50,000)	(50,000)
Finance costs		(4,238,372)	(2,812,500)
Withholding taxes		(1,116)	(3,568)
Other operating expenses		(161,654)	(88,433)
<b>TOTAL EXPENSES</b>		<b>(21,875,653)</b>	<b>(19,440,399)</b>
<b>NET PROFIT BEFORE EXCHANGE (LOSSES)/GAINS</b>		<b>94,869,228</b>	<b>164,545,937</b>
<b>EXCHANGE (LOSSES)/GAINS</b>			
Net foreign exchange (losses)/gains		(1,836,441)	164,706
<b>PROFIT BEFORE TAX</b>		<b>93,032,787</b>	<b>164,710,643</b>
Income tax	11	-	-
<b>NET PROFIT AFTER TAX FOR THE PERIOD</b>		<b>93,032,787</b>	<b>164,710,643</b>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>93,032,787</b>	<b>164,710,643</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO ORDINARY SHAREHOLDERS</b>		<b>93,032,787</b>	<b>164,710,643</b>
<b>BASIC EARNINGS PER ORDINARY SHARE</b>	<b>12</b>	<b>0.47</b>	<b>0.80</b>

The accompanying notes are an integral part of these condensed interim financial statements

## 9 Statement of Changes in Equity

For the six-month period ended 30 June 2024



	Issued Share Capital	Share Premium	Retained Earnings	Total
	US\$	US\$	US\$	US\$
Balance at 1 January 2023	2,067,265	448,805,801	1,171,708,685	1,622,581,751
<b>Total comprehensive income for the period:</b>				
Net profit for the period	-	-	164,710,643	164,710,643
<b>Transactions with shareholders, recognised directly in equity:</b>				
Repurchase of Ordinary Shares	(19,066)	(13,286,925)	-	(13,305,991)
<b>Balance at 30 June 2023</b>	<b>2,048,199</b>	<b>435,518,876</b>	<b>1,336,419,328</b>	<b>1,773,986,403</b>
Balance at 1 January 2024	2,010,278	408,590,156	1,332,657,274	1,743,257,708
<b>Total comprehensive income for the period:</b>				
Net profit for the period	-	-	93,032,787	93,032,787
<b>Transactions with shareholders, recognised directly in equity:</b>				
Repurchase of Ordinary Shares	(59,030)	(43,983,780)	-	(44,042,810)
<b>Balance at 30 June 2024</b>	<b>1,951,248</b>	<b>364,606,376</b>	<b>1,425,690,061</b>	<b>1,792,247,685</b>

The accompanying notes are an integral part of these condensed interim financial statements



# 10 Statement of Cash Flows

For the six-month period ended 30 June 2024



	Note	Six-month period ended	
		30 June 2024	30 June 2023
		US\$	US\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit for the period		93,032,787	164,710,643
Adjustments for:			
Interest income		(9,043)	(29,533)
Interest expense		988,372	-
Dividend income		(8,970,781)	(2,303,925)
Net changes in fair value of financial assets at fair value through profit or loss		(102,009,083)	(182,904,018)
(Gains)/losses on disposals of investments		(5,755,974)	1,251,140
		<b>(22,723,722)</b>	<b>(19,275,693)</b>
Net cash flows from subsidiaries carried at fair value		76,711,264	26,401,081
Changes in balances due from brokers		(3,414,274)	405,340
Changes in balances due to brokers and accounts payable and accruals		(1,007,315)	(9,433,204)
		<b>49,565,953</b>	<b>(1,902,476)</b>
Proceeds from disposals of investments		230,783,017	151,541,996
Purchases of investments		(241,408,816)	(146,442,880)
Interest received		9,043	29,533
Interest paid		(988,372)	-
Dividends received		8,618,469	853,427
<b>Net cash generated from operating activities</b>		<b>46,579,294</b>	<b>4,079,600</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		80,000,000	-
Repayments of borrowings		(80,000,000)	-
Repurchase of Ordinary Shares		(44,042,810)	(13,305,991)
<b>Net cash used in financing activities</b>		<b>(44,042,810)</b>	<b>(13,305,991)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>2,536,484</b>	<b>(9,226,391)</b>
Cash and cash equivalents at the beginning of the period		10,192,455	14,488,971
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>6</b>	<b>12,728,939</b>	<b>5,262,580</b>

The accompanying notes are an integral part of these condensed interim financial statements

# 11 Notes to the Condensed Interim Financial Statements

## For the six-month period ended 30 June 2024



These notes form an integral part, of and should be read in conjunction with, the accompanying condensed interim financial statements.

### 1. THE COMPANY

Vietnam Enterprise Investments Limited (the "Company") is a closed-end investment fund incorporated as an exempted company with limited liability in the Cayman Islands on 20 April 1995. It commenced operations on 11 August 1995, the date on which the initial subscription proceeds were received.

The investment objective of the Company is to invest directly or indirectly in publicly or privately issued securities of companies, projects and enterprises issued by Vietnamese entities, whether inside or outside Vietnam.

The Company's Ordinary Shares have been listed on the main market of the London Stock Exchange since 5 July 2016 (until 4 July 2016: listed on the Irish Stock Exchange). The Company is established for an unlimited duration. As required by the Company's Restated and Amended Memorandum and Articles of Association (the "Articles"), at the annual general meeting ("AGM") held on 18 June 2020, a special resolution to wind up the Company on 31 December 2022 was put to the meeting but was not passed. In accordance with the Articles, the Company will put before the AGM in 2025 a special resolution to wind up the Company effective on 31 December 2027.

The Company had the following investments in subsidiaries as at 30 June 2024 and 31 December 2023, for the purpose of investment holding:

Subsidiaries	Country of incorporation	Principal activities	% ownership
Grinling International Limited	British Virgin Islands	Investment holding	100%
Wareham Group Limited	British Virgin Islands	Investment holding	100%
Goldchurch Limited	British Virgin Islands	Investment holding	100%
VEIL Holdings Limited	British Virgin Islands	Investment holding	100%
Venner Group Limited	British Virgin Islands	Investment holding	100%
Rickmansworth Limited	British Virgin Islands	Investment holding	100%
VEIL Infrastructure Limited	British Virgin Islands	Investment holding	100%
Amersham Industries Limited	British Virgin Islands	Investment holding	100%
Balestrand Limited	British Virgin Islands	Investment holding	100%
Dragon Financial Holdings Limited	British Virgin Islands	Investment holding	100%

As at 30 June 2024 and 31 December 2023, the Company had no employees.

### 2. BASIS OF PREPARATION

#### a) Statement of compliance

The Company's condensed interim financial statements for the six-month period ended 30 June 2024 have been prepared in accordance with IAS 34 - *Interim Financial Reporting* and should be read in conjunction with the Company's financial statements for the year ended 31 December 2023.

#### b) Basis of measurement

These condensed interim financial statements have been prepared on the historical cost basis, except for financial instruments classified as financial assets at fair value through profit or loss ("FVTPL") which are measured at fair value. The methods used to measure fair value are described in Note 3(c) (iii).

# 11 Notes to the Condensed Interim Financial Statements

## for the six-month period ended 30 June 2024 (Continued)



### c) Functional and presentation currency

These condensed interim financial statements are presented in United States Dollar ("US\$"), which is the Company's functional currency.

Functional currency is the currency of the primary economic environment in which the Company operates. If indicators of the primary economic environment are mixed, then management uses its judgment to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The Company's investments and transactions are denominated in US\$ and VND. Share subscriptions and dividends are made and paid in US\$. Borrowings are made in US\$. The expenses (including management fees, custody fees and administration fees) are denominated and paid in US\$. Accordingly, management has determined that the functional currency of the Company is US\$.

### d) Use of estimates and judgments

In preparing these condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have significant effect on the amounts recognised in the condensed interim financial statements are discussed as follows:

#### Assessment as investment entity

Entities that meet the definition of an investment entity within IFRS 10 - *Consolidated Financial Statements* are required to account for investments in controlled entities, as well as investments in associates, at fair value through profit and loss. Subsidiaries that provide investment related services or engage in permitted investment related activities with investees continue to be consolidated unless they are also investment entities.

The criteria which define an investment entity are currently as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Board of Directors has made an assessment and concluded that the Company meets the above listed criteria of an investment entity. The investment objective of the Company is to provide shareholders with attractive capital returns by investing directly or indirectly through its subsidiaries in a diversified portfolio of listed and unlisted securities in Vietnam. The Company has always measured its investment portfolio at fair value. The exit strategy for all investments held by the Company and its subsidiaries is assessed regularly, documented and submitted to the Investment Committee of the Investment Manager for approval.

The Company also meets the additional characteristics of an investment entity, in that it has more than one investment; the investments are predominantly in the form of equities and similar securities; it has more than one investor and its investors are not related parties. The Board has concluded that the Company therefore meets the definition of an investment entity. These conclusions will be reassessed on an annual basis for changes in any of these criteria or characteristics.

# 11 Notes to the Condensed Interim Financial Statements

## for the six-month period ended 30 June 2024 (Continued)



### Fair value of financial instruments

The most significant estimates relate to the fair valuation of subsidiaries and the fair valuation of financial instruments with significant unobservable inputs in their underlying investment portfolio.

The Board has assessed the fair valuation of each subsidiary to be equal to its net asset value ("NAV") at the reporting date, and the primary constituent of NAV across subsidiaries is their underlying investment portfolio.

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

### Impairment of financial assets

The Directors determine the allowance for impairment of financial assets on a regular basis. This estimate is based on the Company's historical experience and informed credit assessment and including looking forward information.

### e) Going concern

The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future (being a period of 12 months from the date these financial statements were approved). Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern, having taken into account the liquidity of the Company's investment portfolio and the Company's financial position in respect of its cash flows, borrowing facilities and investment commitments. Therefore, the condensed interim financial statements have been prepared on the going concern basis.

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The following material accounting policies have been applied consistently to all periods presented in these financial statements.

### a) Subsidiaries

Subsidiaries are investees controlled by the Company. The Company controls an investee when it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Company is an investment entity and measures investments in its subsidiaries at FVTPL (see Note 2(d)). In determining whether the Company meets the definition of an investment entity, the Board considered the Company and its subsidiaries as a whole. In particular, when assessing the existence of investment exit strategies and whether the Company has more than one investment, the Board took into consideration the fact that all subsidiaries were formed in connection with the Company in order to hold investments on behalf of the Company.

### b) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rate at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into the functional currency at the exchange rate at the date on which the fair value was determined.

Foreign currency differences arising on translation are recognised in profit or loss as net foreign exchange gain or loss, except for those arising on financial instruments at FVTPL, which are recognised as a component of net changes in fair value of financial instruments at FVTPL.

# 11 Notes to the Condensed Interim Financial Statements

## for the six-month period ended 30 June 2024 (Continued)



### c) Financial assets and financial liabilities

#### (i) Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities at fair value on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised on the date on which they are originated.

A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

#### (ii) Classification and subsequent measurement

##### Classification of financial assets

On initial recognition, the Company classifies financial assets as measured at amortised cost or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets 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.

All other financial assets of the Company are measured at FVTPL.

##### Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How the investment manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

The Company has determined that it has two business models:

- *Held-to-collect business model*: this includes cash and cash equivalents, balances due from brokers and other receivables. These financial assets are held to collect contractual cash flows.
- *Other business model*: this includes directly held investments and investments in subsidiaries. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

# 11 Notes to the Condensed Interim Financial Statements

## for the six-month period ended 30 June 2024 (Continued)



### **Assessment whether contractual cash flows are solely payments of principal and interest**

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension features;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

### **Reclassifications**

Financial assets are not reclassified subsequent to their initial recognition unless the Company were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

### **Subsequent measurement of financial assets**

- *Financial assets at FVTPL*

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income and expense and foreign exchange gains and losses, are recognised in profit or loss.

Financial assets at FVTPL include directly held investments and investments in subsidiaries.

- *Financial assets at amortised cost*

These assets are subsequently measured at amortised cost using the effective interest method. Interest income and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Cash and cash equivalents, balances due from brokers and other receivables are included in this category.

### **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 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 or 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 or loss.

Financial liabilities measured at amortised cost include balances due to brokers and accounts payable and accruals.

# 11 Notes to the Condensed Interim Financial Statements

## for the six-month period ended 30 June 2024 (Continued)



### (iii) Fair value measurement

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

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Company measures instruments quoted in an active market at a mid price, because this price provides a reasonable approximation of the exit 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 take into account in pricing a transaction.

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

### (iv) Amortised cost measurement

The "amortised cost" of a financial asset or liability is the amount at which the financial asset or financial liability is measured on initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

### (v) Impairment

The Company recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for following, which are measured at 12-month ECLs:

- Financial assets that are determined to have low credit risk at the reporting date; and
- Other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

# 11 Notes to the Condensed Interim Financial Statements

## for the six-month period ended 30 June 2024 (Continued)



### **Measurement of ECLs**

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

However, if the financial assets were credit-impaired, then the estimate of credit losses would be based on a specific assessment of the expected cash shortfalls and on the original effective interest rate.

### **Credit-impaired financial assets**

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of a debtor;
- a breach of contract such as a default or being more than 90 days past due; or
- it is probable that the debtor will enter bankruptcy or other financial reorganisation.

### **Presentation of allowance for ECLs in the statement of financial position**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

### **Write-off**

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

### **(vi) Derecognition**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all of the risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with retention of all or substantially all of the risks and rewards include sale and repurchase transactions.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.



# 11 Notes to the Condensed Interim Financial Statements

## for the six-month period ended 30 June 2024 (Continued)



### (vii) Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis for gains and losses from financial instruments at FVTPL and foreign exchange gains and losses.

### d) Cash and cash equivalents

Cash and cash equivalents comprise deposits with banks and highly liquid financial assets with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value and are used by the Company in the management of short-term commitments, other than cash collateral provided in respect of derivatives and securities borrowing transactions.

### e) Share capital

#### Issuance of share capital

Management Shares and Ordinary Shares are classified as equity. The difference between the issued price and the par value of the shares less any incremental costs directly attributable to the issuance of shares is credited to share premium.

#### Repurchase of Ordinary Shares

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Par value of repurchased shares is presented as deductions from share capital and the excess over par value of repurchased shares is presented as deductions from share premium. When repurchased shares are sold or reissued subsequently, the amount received is recognised as an increase in share capital and share premium which is similar to the issuance of share capital.

### f) Segment reporting

The Company is organised and operates as one operating segment – investment in equity securities in Vietnam. Consequently, no segment reporting is provided in the Company's financial statements.

### g) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

### h) Interest

Interest income and expense presented in the statement of comprehensive income comprise interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest basis.

The effective interest rate is calculated on initial recognition of a financial instrument as the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

# 11 Notes to the Condensed Interim Financial Statements

## for the six-month period ended 30 June 2024 (Continued)



### i) Dividend income

Dividend income is recognised in profit or loss on the date on which the right to receive payment is established. For listed equity securities, this is usually the ex-dividend date. For unlisted equity securities, this is usually the date on which the shareholders approve the payment of a dividend.

Dividend income from equity securities designated as at FVTPL is recognised in profit or loss in a separate line item.

### j) Net income from financial instruments at fair value through profit or loss

Net income from financial assets at FVTPL include all realised and unrealised fair value changes and foreign exchange differences, but excludes interest and dividend income.

Net realised gain/loss from financial assets at FVTPL is calculated using the weighted average cost method.

### k) Expenses

All expenses, including management fees and incentive fees, are recognised in profit or loss on an accrual basis.

### l) Basic earnings per share and Net Asset Value per share

The Company presents basic earnings per share ("EPS") for its Ordinary Shares. Basic EPS is calculated by dividing net profit or loss attributable to the Ordinary Shareholders by the weighted average number of Ordinary Shares outstanding during the period. The Company did not have potentially dilutive shares as of 30 June 2024 and 30 June 2023.

Net asset value ("NAV") per share is calculated by dividing the NAV attributable to the Ordinary Shareholders by the number of outstanding Ordinary Shares as at the reporting date. NAV is determined as total assets less total liabilities. Where Ordinary Shares have been repurchased, NAV per share is calculated based on the assumption that those repurchased Ordinary Shares have been cancelled.

### m) Related parties

(a) A person, or a close member of that person's family, is related to the Company if that person:

- (i) has control or joint control over the Company;
- (ii) has significant influence over the Company; or
- (iii) is a member of the key management personnel of the Company.

(b) An entity is related to the Company if any of the following conditions applies:

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) The entity and the Company are joint ventures of the same third party;
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) The entity is a post employment benefit plan for the benefit of employees of either the Company or an entity related to the Company;
- (vi) The entity is controlled or jointly controlled by a person identified in (a);
- (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company.

Dragon Capital Group Limited, together with its subsidiaries (including Dragon Capital Management (HK) Limited), associates, and investment companies/funds under their management, are considered related parties to the Company.

# 11 Notes to the Condensed Interim Financial Statements

## for the six-month period ended 30 June 2024 (Continued)



### n) Accounting standards issued but not yet effective

A number of new accounting standards and amendments to accounting standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted; however, the Company has not early adopted the new or amended accounting standards that may be relevant in preparing these condensed interim financial statements.

The following new and amended standards and interpretation are not expected to have a significant impact on the Company's condensed interim financial statements.

- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to IAS 1;
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7;
- Lease liability in a Sale and Leaseback – Amendments to IFRS 16; and
- Lack of Exchangeability – Amendment to IAS 21.

## 4. TRANSACTIONS WITH RELATED PARTIES

Dominic Scriven O.B.E, a Non-executive Director of the Company, is a beneficial shareholder of the Company, holding 178,423 Ordinary Shares of the Company as at 30 June 2024 (31 December 2023: 178,423 Ordinary Shares). Dominic Scriven O.B.E also has indirect interests in shares of the Company as he is a key shareholder of Dragon Capital Group Limited, the parent company of Dragon Capital Limited which holds the Management Shares of the Company. Dragon Capital Group Limited is also the ultimate parent company of Dragon Capital Management (HK) Limited, which is the Investment Manager of the Company and Dragon Capital Markets Limited. As at 30 June 2024, Dragon Capital Markets Limited beneficially held 1,685,359 Ordinary Shares (31 December 2023: 1,685,359 Ordinary Shares) of the Company for investment and proprietary trading purposes.

Sarah Arkle, an Independent Non-executive Director until 30 June 2024 and Chair of the Company since 1 July 2024, is a beneficial shareholder of the Company, holding 9,696 Ordinary Shares of the Company as at 30 June 2024 (31 December 2023: 9,696 Ordinary Shares).

Gordon Lawson, Chair of the Company until 30 June 2024, is a beneficial shareholder of the Company, holding 25,000 Ordinary Shares of the Company as at 30 June 2024 (31 December 2023: 25,000 Ordinary Shares).

Charles Cade, an Independent Non-executive Director, is a beneficial shareholder of the Company, holding 15,000 Ordinary Shares of the Company as at 30 June 2024 (31 December 2023: 15,000 Ordinary Shares).

During the period, the Directors, with exception of Dominic Scriven O.B.E, earned US\$160,000 (six-month period ended 30 June 2023: US\$132,500) for their participation in the Board of Directors of the Company.

During the period, total broker fees incurred and charged by to Ho Chi Minh City Securities Corporation – an associate of Dragon Capital Group Limited and one of the securities brokers of the Company and its subsidiaries – amounted to US\$281,396 (six-month period ended 30 June 2023: US\$206,562). As at 30 June 2024, the broker fee payable to Ho Chi Minh City Securities Corporation was US\$2,609 (31 December 2023: US\$5,290).

# 11 Notes to the Condensed Interim Financial Statements

for the six-month period ended 30 June 2024 (Continued)



## 5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

### (a) Financial assets at fair value through profit or loss reported in the statement of financial position:

	30 June 2024	31 December 2023
	US\$	US\$
Directly held investments (i)	825,506,985	785,307,882
Investments in subsidiaries (ii)	956,179,349	954,698,860
	<b>1,781,686,334</b>	<b>1,740,006,742</b>

(i) The cost and carrying value of directly held investments of the Company were as follows:

	30 June 2024	31 December 2023
	US\$	US\$
<b>Listed equity investments:</b>		
At cost	674,595,895	658,214,122
Unrealised gains	117,952,439	86,648,144
At carrying value	792,548,334	744,862,266
<b>Unlisted equity investments:</b>		
At cost	48,962,737	48,962,737
Unrealised losses	(16,004,086)	(8,517,121)
At carrying value (*)	32,958,651	40,445,616
	<b>785,307,882</b>	<b>691,582,819</b>

(\*) See Note 13(A) (iii) for further disclosure on significant unobservable inputs used in measuring fair value of the directly held unlisted equity investments.

Movements of investments directly held by the Company during the period were as follows:

	30 June 2024	30 June 2023
	US\$	US\$
Opening balance	785,307,882	691,582,819
Purchases	241,408,816	146,442,880
Sales	(225,027,043)	(152,793,136)
Unrealised gains	23,817,330	72,045,748
<b>Closing balance</b>	<b>825,506,985</b>	<b>757,278,311</b>

# 11 Notes to the Condensed Interim Financial Statements

for the six-month period ended 30 June 2024 (Continued)



(ii) Investments in subsidiaries are fair valued at the net asset value of the subsidiaries with the major part being attributable to the underlying investment portfolio. The underlying investment portfolio is valued under the same methodology as directly held investments of the Company, with any other assets or liabilities within subsidiaries fair valued in accordance with the Company's accounting policies. All cash flows to/from subsidiaries are treated as an increase/decrease in the fair value of the subsidiary.

The net assets of the Company's subsidiaries comprised:

	30 June 2024	31 December 2023
	US\$	US\$
Financial assets at fair value through profit or loss (iii)	937,702,804	951,196,512
Other receivables	1,268,245	872,305
Balances due from brokers	5,531,079	2,474,172
Cash and cash equivalents	24,419,802	11,532,338
<b>Total assets</b>	<b>968,921,930</b>	<b>966,075,327</b>
Balances due to brokers	12,742,581	11,376,467
<b>Total liabilities</b>	<b>12,742,581</b>	<b>11,376,467</b>
<b>Net assets</b>	<b>956,179,349</b>	<b>954,698,860</b>

Movements in the carrying value of investments in subsidiaries during the period were as follows:

	30 June 2024	30 June 2023
	US\$	US\$
Opening balance	954,698,860	926,941,387
Net cash flows from subsidiaries	(76,711,264)	(26,401,081)
Fair value movements in investments in subsidiaries	78,191,753	110,858,270
<b>Closing balance</b>	<b>956,179,349</b>	<b>1,011,398,576</b>

# 11 Notes to the Condensed Interim Financial Statements

## for the six-month period ended 30 June 2024 (Continued)



(iii) The cost and carrying value of underlying financial assets at FVTPL held by the subsidiaries of the Company were as follows:

	30 June 2024	31 December 2023
	US\$	US\$
<b>Listed equity investments</b>		
At cost	692,480,085	719,623,518
Unrealised gains	245,222,719	231,572,994
<b>At carrying value</b>	<b>937,702,804</b>	<b>951,196,512</b>

Movements of investments held by the subsidiaries of the Company during the period were as follows:

	30 June 2024	30 June 2023
	US\$	US\$
Opening balance	951,196,512	920,080,847
Purchases	262,883,985	194,974,384
Sales	(290,027,418)	(212,526,499)
Unrealised gains	13,649,725	103,444,352
<b>Closing balance</b>	<b>937,702,804</b>	<b>1,005,973,084</b>

Investment portfolio by sector was as follows:

	30 June 2024		31 December 2023	
	US\$	%	US\$	%
Banking	633,845,116	36	619,433,668	36
Real Estate & Construction	313,000,021	18	348,482,988	20
Material & Resources	258,262,517	14	282,758,865	16
Retail	189,392,886	11	83,431,718	5
Software & Services	149,632,900	8	106,704,113	6
Diversified Financials	91,314,762	5	125,473,152	7
Energy	49,255,380	3	61,546,161	3
Consumer Durables	45,216,921	3	44,382,423	3
Food & Beverages	25,195,254	1	51,613,773	3
Net monetary assets kept by subsidiaries	18,476,545	1	3,502,348	-
Transportation	8,094,032	-	12,677,533	1
	1,781,686,334	100	1,740,006,742	100

# 11 Notes to the Condensed Interim Financial Statements

## for the six-month period ended 30 June 2024 (Continued)



### (iv) Restrictions

The Company receives income in the form of dividends from its investments in unconsolidated subsidiaries and there are no significant restrictions on the transfer of funds from these entities to the Company.

### (v) Support

The Company provides or receives ongoing support to/from its subsidiaries for the purchase/sales of portfolio investments. During the period, the Company received support from its unconsolidated subsidiaries as noted in Note 5(a) (ii). The Company has no contractual commitments or current intentions to provide any other financial or other support to its unconsolidated subsidiaries.

### (b) Net change in fair value of financial assets at FVTPL reported in the statement of comprehensive income:

	30 June 2024	30 June 2023
	US\$	US\$
Unrealised gains of investments directly held by the Company	45,608,467	(400,164,058)
Fair value movements in investments in subsidiaries	23,817,330	72,045,748
	<b>102,009,083</b>	<b>182,904,018</b>

## 6. CASH AND CASH EQUIVALENTS

	30 June 2024	31 December 2023
	US\$	US\$
Cash in banks	12,728,939	10,192,455

## 7. ACCOUNTS PAYABLE AND ACCRUALS

	30 June 2024	31 December 2023
	US\$	US\$
Management fees	2,473,887	2,584,711
Administration fees	226,101	219,061
Other payables	54,099	62,000
	<b>2,754,087</b>	<b>2,865,772</b>

# 11 Notes to the Condensed Interim Financial Statements

for the six-month period ended 30 June 2024 (Continued)



## 8. ISSUED SHARE CAPITAL AND SHARE PREMIUM

	30 June 2024	31 December 2023
	US\$	US\$
<b>Authorised:</b>		
500,000,000 Ordinary Shares at par value of US\$0.01 each	5,000,000	5,000,000
300,000,000 Conversion Shares at par value of US\$0.01 each	3,000,000	3,000,000
1,000 Management Shares at par value of US\$0.01 each	10	10
	<b>8,000,010</b>	<b>8,000,010</b>
<b>Issued and fully paid:</b>		
201,026,986 Ordinary Shares at par value of US\$0.01 each (31 December 2023: 220,920,746 Ordinary Shares at par value of US\$0.01 each)	2,010,268	2,209,207
1,000 Management Shares at par value of US\$0.01 each	10	10
	<b>2,010,278</b>	<b>2,209,217</b>
<b>Treasury Shares:</b>		
Ordinary Shares	(59,030)	(198,939)
<b>Shares in circulation:</b>		
Ordinary Shares	1,951,238	2,010,268
Management Shares	10	10
<b>Outstanding issued share capital in circulation</b>	<b>1,951,248</b>	<b>2,010,278</b>

Holders of Ordinary Shares present in person or by proxy or by authorised representative shall have one vote and, on a poll, every holder of Ordinary Shares present in person or by proxy or by authorised representative shall have one vote for every Ordinary Share of which he is the registered holder. The Ordinary Shares carry rights to dividends as set out in Articles 106 to 114 of the Articles. In a winding up, the Ordinary Shares carry a right to a return of the nominal capital paid up in respect of such Ordinary Shares, and the right to share in the manner set out in the Articles in surplus assets remaining after the return of the nominal capital paid up on the Ordinary Shares and Management Shares, provided that in a winding up the assets available for distribution among the members are more than sufficient to repay the whole of the nominal capital paid up at the commencement of the winding up. No holder of Ordinary Shares has the right to request the redemption of any of his Ordinary Shares at his option or to require his Ordinary shares to be redeemed by the Company. The Company may, in its complete discretion, consider requests from holders of Ordinary Shares to have their Ordinary Shares redeemed by the Company. The Company may also, from time to time, repurchase its shares, including fraction of shares.

The Conversion Shares carry the exclusive right to dividends in respect of assets attributable to the Conversion Shares, in accordance with the provisions of Articles 106 to 114. No dividend or other distribution shall be declared, made or paid by the Company on any of its shares by reference to a record date falling between the Calculation Date and the Conversion Date as set out in the Articles. The new Ordinary Shares to be issued on conversion shall rank in full pari passu with the existing Ordinary Shares for all dividends and other distributions with a record date falling after the conversion date. In order for the holder of the Conversion Shares to participate in the winding up of the Company, the Conversion Shares, if any, which are in existence at the date of the winding up of the Company will for all purposes be deemed to have been automatically converted into Ordinary Shares and Deferred Shares immediately prior to the winding up, on the same basis as if conversion occurred 28 business days after the calculation date arising as a result of the resolution or the court to wind up the Company.

Until conversion, the consent of the holders of the Conversion Shares voting as a separate class and the holders of the Ordinary Shares voting as a separate class shall be required in accordance with the provisions of Article 14 to effect any variation or abrogation in their respective class rights.



# 11 Notes to the Condensed Interim Financial Statements

## for the six-month period ended 30 June 2024 (Continued)



During the period, no Conversion Shares were in issue, and no Conversion Shares were in issue as at 30 June 2024 and 31 December 2023.

According to the Resolution dated 22 March 2024, the Board of Directors resolved to cancel 19,893,760 treasury shares of the Company ("Share Cancellation"). The Share Cancellation was completed on 3 April 2024.

The Management Shares shall not be redeemed by the Company, and do not carry any right to dividends. In a winding up, Management Shares are entitled to a return of paid up nominal capital out of the assets of the Company, but only after the return of nominal capital paid up on Ordinary Shares. The Management Shares each carry one vote on a poll. The holders of the Management Shares have the exclusive right to appoint two individuals to the Board.

As at 30 June 2024 and 31 December 2023, the following shareholder owned more than 10% of the Company's issued Ordinary Share capital:

	30 June 2024		31 December 2023	
	Number of Ordinary Shares held	% of total Ordinary Shares in issue	Number of Ordinary Shares held	% of total Ordinary Shares in issue
Inter Fund Management S.A.	27,423,467	14.05	27,423,467	13.64
Bill & Melinda Gates Foundation	24,670,745	12.64	24,670,745	12.27

Movements in Ordinary Share capital during the period were as follows:

	Six-month period ended 30 June 2024		Six-month period ended 30 June 2023	
	Shares	US\$	Shares	US\$
Balance at the beginning of the period	201,026,986	2,010,268	206,725,678	2,067,255
Repurchase of Ordinary Shares during the period	(5,903,009)	(59,030)	(1,906,589)	(19,066)
<b>Balance at the end of the period</b>	<b>195,123,977</b>	<b>1,951,238</b>	<b>204,819,089</b>	<b>2,048,189</b>

Movements in share premium during the period were as follows:

	Six-month period ended 30 June 2024	Six-month period ended 30 June 2023
	US\$	US\$
Balance at the beginning of the period	408,590,156	448,805,801
Repurchase of Ordinary Shares during the period	(43,983,780)	(13,286,925)
<b>Balance at the end of the period</b>	<b>364,606,376</b>	<b>435,518,876</b>

## 9. NET ASSET VALUE PER ORDINARY SHARE

The calculation of the NAV per Ordinary Share was based on the equity of the Company as at 30 June 2024 of US\$1,792,247,685 (31 December 2023: US\$1,743,257,708) and the number of outstanding Ordinary Shares in issue as at that date of 195,123,977 shares (31 December 2023: 201,026,986 shares).

# 11 Notes to the Condensed Interim Financial Statements

## for the six-month period ended 30 June 2024 (Continued)



### 10. FEES

The management, administration and custody fees are calculated based on the NAV of the Company.

#### Administration fees

Standard Chartered Bank (the "Administrator") is entitled to receive a fee of 0.048% (six-month period ended 30 June 2023: 0.048%) of the gross assets per annum, payable monthly in arrears and subject to a minimum monthly fee of US\$4,000 per fund. During the period, total administration fees amounted to US\$648,354 (six-month period ended 30 June 2023: US\$535,072). As at 30 June 2024, an administration fee of US\$226,101 (31 December 2023: US\$219,061) was payable to the Administrator.

#### Custody fees

Standard Chartered Bank (the "Custodian") is entitled to receive a fee of 0.04% (six-month period ended 30 June 2023: 0.04%) of the assets under custody per annum, payable monthly in arrears and subject to a minimum monthly fee of US\$500 per custody account. In addition, the Custodian is entitled to US\$20 per listed transaction. During the period, total custody fees amounted to US\$479,915 (six-month period ended 30 June 2023: US\$442,978). There were no custody fees payable as at 30 June 2024 and 31 December 2023.

#### Directors' fees

During the period, total directors' fees amounted to US\$160,000 (six-month period ended 30 June 2023: US\$132,500). There were no directors' fees payable as at 30 June 2024 and 31 December 2023. Dominic Scriven O.B.E has permanently waived his rights to receive directors' fees for his services as Director of the Company.

#### Management fees

The management fee is calculated and accrued daily on the following basis:

- 1.85% per annum on the first US\$1.25 billion of the NAV;
- 1.65% per annum on the portion of the NAV in excess of US\$1.25 billion and less than or equal to US\$1.5 billion; and
- 1.5% per annum on the portion of the NAV above US\$1.5 billion.

From 1 July 2024, the management fee is calculated and accrued daily at a flat rate of 1.5% per annum of the Company's NAV.

During the period, total management fees amounted to US\$15,691,821 (six-month period ended 30 June 2023: US\$14,996,754). As at 30 June 2024, a management fee of US\$2,473,887 (31 December 2023: US\$2,584,711) remained payable to the Investment Manager.

#### Audit and non-audit fees

During the period, included in legal and professional service fees of the Company were audit and related fees amounting to US\$39,344 (six-month period ended 30 June 2023: US\$40,663) paid/payable to the auditor, KPMG Limited. In addition, the total non-audit fees paid to the network firms of KPMG Limited were US\$14,754 for the six-month period ended 30 June 2024 (six-month period ended 30 June 2023: US\$14,877).

# 11 Notes to the Condensed Interim Financial Statements

## for the six-month period ended 30 June 2024 (Continued)



### 11. INCOME TAX

Under the current law of the Cayman Islands and the British Virgin Islands, the Company and its subsidiaries are not required to pay any taxes in the Cayman Islands or the British Virgin Islands on either income or capital gains and no withholding taxes will be imposed on distributions by the Company to its shareholders or on the winding-up of the Company.

#### Vietnam tax

In accordance with Circular No. 103/2014/TT-BTC issued by the Ministry of Finance of Vietnam taking effective from 1 October 2014 providing guidelines on the fulfilment of tax obligations of foreign entities, foreign individuals doing business in Vietnam or earning income in Vietnam, the Company is subject to 20% capital assignment tax on the net gain from the transfer of capital, not being considered as tax on gains from the transfer of securities per Vietnamese regulations, 0.1% withholding tax on proceeds of transferring securities, certificates of deposits and 5% withholding tax on the interest received from any Vietnamese entities. Dividends distributed from after-tax profits by Vietnamese investee companies to foreign corporate investors are not subject to Vietnamese withholding taxes.

#### Hong Kong tax

A fund would be exposed to Hong Kong Profits Tax ("HKPT") if:

- a) it carries on trade or business in Hong Kong;
- b) profits from that trade or business have a Hong Kong source;
- c) those profits are not capital profits; and
- d) the profits are not exempted under the Offshore Persons Exemption or the Funds Exemption.

Under such circumstances, HKPT will be charged at a rate of 16.5% (2023: 16.5%) in respect of any profits which arise in or are derived from Hong Kong and which are not capital profits or exempt profits.

The Offshore Persons Exemption is provided under Section 20AC of the Inland Revenue Ordinance ("IRO") and applies to exempt non-fund and non-resident persons from HKPT subject to satisfying certain conditions. Effective from 1 April 2019, the Funds Exemption under Section 20AN of the IRO provides that funds within the meaning of Section 20AM, resident and non-resident, will be exempt from HKPT subject to certain conditions.

The Directors believe the Company satisfies all of the requirements for the Funds Exemption under Section 20AN of the IRO post 1 April 2019 and therefore shall not be subject to Hong Kong tax.

See Note 13(B) for further details.

# 11 Notes to the Condensed Interim Financial Statements

## for the six-month period ended 30 June 2024 (Continued)



### 12. BASIC EARNINGS/(LOSSES) PER ORDINARY SHARE

The calculation of basic earnings per Ordinary Share for the period was based on the net profit for the period attributable to the Ordinary Shareholders of US\$93,032,787 (six-month period ended 30 June 2023: US\$164,710,643) and the weighted average number of Ordinary Shares outstanding of 198,658,995 shares (six-month period ended 30 June 2023: 206,048,635 shares) in issue during the period.

#### a) Net profit attributable to the Ordinary Shareholders

	Six-month period ended 30 June 2024	Six-month period ended 30 June 2023
	US\$	US
Net profit attributable to the Ordinary Shareholders	93,032,787	164,710,643

#### b) Weighted average number of Ordinary Shares

	Six-month period ended 30 June 2024	Six-month period ended 30 June 2023
	Shares	Shares
Issued Ordinary Shares at the beginning of the period	201,026,986	206,725,678
Effect of Ordinary Shares repurchased during the period	(2,367,991)	(677,043)
<b>Weighted average number of Ordinary Shares</b>	<b>198,658,995</b>	<b>206,048,635</b>

#### c) Basic earnings per Ordinary Share

	Six-month period ended 30 June 2024	Six-month period ended 30 June 2023
	US\$	US
Basic earnings per Ordinary Share	0.47	0.80

# 11 Notes to the Condensed Interim Financial Statements

## for the six-month period ended 30 June 2024 (Continued)



### 13. FINANCIAL RISK MANAGEMENT AND UNCERTAINTY

#### A. Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Company for the year ended 31 December 2023.

#### Fair values of financial assets and liabilities

##### (i) Valuation model

The fair values of financial instruments that are traded in active markets are based on quoted prices or broker price quotations. For all other financial instruments, the Company determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- 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 category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are not considered active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category 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. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Company makes its investments through wholly owned subsidiaries, which in turn own interests in various listed and unlisted equity securities. The NAV of the subsidiaries is used for the measurement of fair value. The fair value of the Company's underlying investments, however, is measured in accordance with the valuation methodology which is in consistent with that for directly held investments.

##### (ii) Fair value hierarchy – Financial instruments measured at fair value

The table below analyses the Company's financial assets 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.

As at 30 June 2024	Level 1	Level 2	Level 3	Total
	US\$	US\$	US\$	US\$
<b>Financial assets at fair value through profit or loss</b>				
• Listed equity investments	792,548,334	-	-	792,548,334
• Unlisted investments	-	-	32,958,651	32,958,651
• Investments in subsidiaries	-	956,179,349	-	956,179,349
	<b>792,548,334</b>	<b>956,179,349</b>	<b>32,958,651</b>	<b>1,781,686,334</b>

# 11 Notes to the Condensed Interim Financial Statements

for the six-month period ended 30 June 2024 (Continued)



As at 31 December 2023	Level 1	Level 2	Level 3	Total
	US\$	US\$	US\$	US\$
<b>Financial assets at fair value through profit or loss</b>				
• Listed equity investments	744,862,266	-	-	744,862,266
• Unlisted investments	-	-	40,445,616	40,445,616
• Investments in subsidiaries	-	954,698,860	-	954,698,860
	<b>744,862,266</b>	<b>954,698,860</b>	<b>40,445,616</b>	<b>1,740,006,742</b>

The following table shows a reconciliation from the opening balances to the closing balances for fair value measurements of the Company in three levels of the fair value hierarchy.

	Level 1		Level 2		Level 3	
	Six-month period ended		Six-month period ended		Six-month period ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	US\$	US\$	US\$	US\$	US\$	US\$
Opening balance	744,862,266	642,802,331	954,698,860	926,941,387	40,445,616	48,780,488
Purchases	241,408,816	146,442,880	-	-	-	-
Sales	(225,027,043)	(152,793,136)	-	-	-	-
Net cash flows from subsidiaries	-	-	(76,711,264)	(26,401,081)	-	-
Unrealised gains/(losses) recognised in profit or loss	31,304,295	72,702,259	78,191,753	110,858,270	(7,486,965)	(656,511)
Closing balance	792,548,334	709,154,334	956,179,349	1,011,398,576	32,958,651	48,123,977
Total unrealised gains/(losses) for the period included in net changes in fair value of financial assets at FVTPL	31,304,295	72,702,259	78,191,753	110,858,270	(7,486,965)	(656,511)

The Company invests substantially all of its assets in its subsidiaries together with which it is managed as an integrated structure. The Directors decided that the objectives of IFRS 7 *Financial Instruments: Disclosures* are met by providing disclosures on the fair value hierarchy of the underlying investments held by the subsidiaries.

# 11 Notes to the Condensed Interim Financial Statements

## for the six-month period ended 30 June 2024 (Continued)



The table below analyses the subsidiaries' 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.

As at 30 June 2024	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<b>Financial assets at fair value through profit or loss</b>				
• Listed equity investments	937,702,804	-	-	937,702,804

As at 31 December 2023	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<b>Financial assets at fair value through profit or loss</b>				
• Listed equity investments	951,196,512	-	-	951,196,512

The following table shows a reconciliation from the opening balances to the closing balances for fair value measurements of investments through the subsidiaries in three levels of the fair value hierarchy.

	Level 1		Level 2		Level 3	
	Six-month period ended 30 June 2024	Six-month period ended 30 June 2023	Six-month period ended 30 June 2024	Six-month period ended 30 June 2023	Six-month period ended 30 June 2024	Six-month period ended 30 June 2023
	US\$	US\$	US\$	US\$	US\$	US\$
Opening balance	951,196,512	920,080,847	-	-	-	-
Purchases	262,883,985	194,974,384	-	-	-	-
Sales	(290,027,418)	(212,526,499)	-	-	-	-
Unrealised gains	13,649,725	103,444,352	-	-	-	-
Closing balance	937,702,804	1,005,973,084	-	-	-	-
Total unrealised gains included in net changes in fair value of financial assets at FVTPL	13,649,725	103,444,352	-	-	-	-

# 11 Notes to the Condensed Interim Financial Statements

for the six-month period ended 30 June 2024 (Continued)



### (iii) Significant unobservable inputs used in measuring fair value

The table below sets out information about significant unobservable inputs used at 30 June 2024 and 31 December 2023 in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

Description	Fair value	Fair value	Valuation technique	Significant unobservable inputs	Sensitivity to changes in significant unobservable inputs
	30 June 2024	31 December 2023			
	US\$	US\$			
Investment in a property developer	32,958,651	40,445,616	Discounted cash flow: The valuation model considers the present value of the expected future net cash flows derived from put option using a number of possible outcomes of the negotiations and attributing probabilities to each. The expected net cash flows are discounted using the cost of debt.	<ul style="list-style-type: none"> <li>Expected future net cash flows derived from put option using a number of possible outcomes of the negotiations and attributing probabilities to each.</li> <li>Cost of debt ("the discount rate").</li> </ul>	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> <li>the expected cash flows were higher (lower);</li> <li>the cost of debt was lower (higher).</li> </ul>



# 11 Notes to the Condensed Interim Financial Statements

## for the six-month period ended 30 June 2024 (Continued)



### B. Uncertainty

Although the Company and its subsidiaries are incorporated in the Cayman Islands and the British Virgin Islands, respectively, where tax is exempt, their activities are primarily focused in Vietnam. In accordance with the prevailing tax regulations in Vietnam, if an entity was treated as having a permanent establishment, or as otherwise being engaged in a trade or business in Vietnam, income attributable to or effectively connected with such permanent establishment or trade or business may be subject to tax in Vietnam. As at the date of this report the following information is uncertain:

- Whether the Company and its subsidiaries and joint ventures are considered as having permanent establishments in Vietnam;
- The amount of tax that may be payable if the income is subject to tax; and
- Whether tax liabilities (if any) will be applied retrospectively.

The implementation and enforcement of tax regulations in Vietnam can vary depending on numerous factors, including the identity of the tax authority involved. The administration of laws and regulations by government agencies may be subject to considerable discretion, and in many areas, the legal framework is vague, contradictory and subject to different and inconsistent interpretation. The Directors believe that it is unlikely that the Company and its subsidiaries will be exposed to tax liabilities in Vietnam, and as a result, provision for tax liabilities have not been made in the condensed interim financial statements.

The Offshore Persons Exemption is provided under Section 20AC of the Inland Revenue Ordinance ("IRO") and applies to exempt non-fund and non-resident persons from Hong Kong Profits Tax ("HKPT") subject to satisfying certain conditions. Effective from 1 April 2019, the New Funds Exemption under Section 20AN of the IRO provides that funds within the meaning of Section 20AM, resident and non-resident, will be exempt from HKPT subject to certain conditions. The Directors believe that they have implemented steps to enable the Company to satisfy all the conditions to be exempted from HKPT for the six-month period ended 30 June 2024.

If the Company does not meet the exemption criteria under the Funds Exemption, the Company is exposed to Hong Kong Profits Tax at a rate of 16.5% in respect of any profits which arise in or are derived from Hong Kong and which are not capital profits or exempt profits if it is treated as carrying on a trade or business in Hong Kong either on its own account or through any person as an agent.

### 14. SEASONAL OR CYCLICAL FACTORS

The Company's results for the six-month period ended 30 June 2024 are not subject to any significant seasonal or cyclical factors.

### 15. SUBSEQUENT EVENTS

For the period from 1 July to 19 September 2024, the Company repurchased 4,261,878 Ordinary Shares for a total consideration of US\$31,761,134.

### 16. APPROVAL OF THE FINANCIAL STATEMENTS

The condensed interim financial statements were approved and authorised for issue by the Board of Directors on 19 September 2024.

# 12. Corporate Information



## Registered Office

### Vietnam Enterprise Investments Limited

c/o Maples Corporate Services Limited  
PO Box 309  
Ugland House  
Grand Cayman KY1-1104  
Cayman Islands

## Investment Manager

### Dragon Capital Management (HK) Limited

Unit 2406, 24/F  
9 Queen's Road  
Central  
Hong Kong

## Corporate Broker

### Jefferies International Limited

100 Bishopsgate  
London EC2N 4JL  
United Kingdom

## Company Secretary

### Maples Secretaries (Cayman) Limited

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Grand Cayman KY1-1102  
Cayman Islands

## Administrator and Offshore Custodian

### Standard Chartered Bank

Standard Chartered @ Changi  
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Singapore 486028

## Vietnam Custodian

### Standard Chartered Bank (Vietnam) Ltd.

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Dong Da  
Hanoi  
Vietnam

## Legal Adviser to the Company

### Stephenson Harwood LLP

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London EC2M 7SH  
United Kingdom

## Depository

### Computershare Investor Services PLC

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Bristol BS13 8AE  
United Kingdom

## Auditors

### KPMG Limited

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Vietnam

## Registrar

### Computershare Investor Services (Cayman) Limited

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# 13. Investor Information



## Enquiries

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### Dragon Capital Vietfund Management Joint Stock Company

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# 14. Glossary



Term	Definition
ACB	Asia Commercial Bank
ACV	Airports Corporation of Vietnam
AGM	Annual General Meeting
BHX	Bach Hoa Xanh
DTR	Disclosure Guidance and Transparency Rule
DXG	Dat Xanh Group
ECLs	expected credit losses
EPS	earnings per share
ESG	environmental, social and governance
FCA	UK Financial Conduct Authority
FDI	foreign direct investment
FPT	FPT Corporation
FRT	FPT Retail
FVTPL	fair value through profit or loss
GDP	Gross Domestic Product
HKPT	Hong Kong Profits Tax
HNX	Hanoi Stock Exchange
HOSE	Ho Chi Minh City Stock Exchange
HPG	Hoa Phat Group
HSG	Hoa Sen Group
HVN	Vietnam Airlines
IAS	International Accounting Standards
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
IRO	Inland Revenue Ordinance
KBC	Kinh Bac City
KDH	Khang Dien House
MBB	MB Bank
MWG	Mobile World Group
NAC	Next Advanced Communications NAC Co, Ltd.
NAV	Net Asset Value
NIM	net interest margins
NLG	Nam Long Group
NPATMI	net profit after tax and minority interest
NPLs	non-performing loans
SASB	Sustainability Accounting Standards Board

# 14. Glossary (Continued)



Term	Definition
SFDR	Sustainable Finance Disclosure Regulation
Share Cancellation	Cancellation of 19,893,760 treasury shares of the Company according to the Resolution dated 22 March 2024, completed on 3 April 2024.
SOCBs	State-owned commercial banks
SUSBA	Sustainable Banking Assessment
TCB	TechcomBank
TCFD	Task Force on Climate-related Financial Disclosures
The Administrator	Standard Chartered Bank
The Articles	Restated and Amended Memorandum and Articles of Association
The Custodian	Standard Chartered Bank
The Group	Dragon Capital group, i.e. Dragon Capital Group Limited (DCGL) and its subsidiaries and affiliates including investment managers, corporate parents, subsidiaries and funds and SMAs under any such entities' management
the UK Market Abuse Regulation	the UK version of the Market Abuse Regulation (EU) No. 596/2014
TR\$	Total Return USD
UNGC	United Nations Global Compact
UPCoM	Unlisted Public Company Market
US\$	United States Dollar
VEIL or the Company	Vietnam Enterprise Investments Limited
VNI or VN Index	Vietnam Index
VPB	Vietnam Prosperity Bank