VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

Interim Report and Condensed Interim Financial Statements
for the period 1 July 2023 to 31 December 2023

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FOR THE PERIOD ENDED 31 DECEMBER 2023

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VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

CHAIRMAN'S STATEMENT

Dear Shareholder,

Investment Performance

Over the six months to the end of December 2023, the Company's net asset value per share was broadly unchanged. Taking account of the dividend paid in December, the total return[1] was 1.9% in USD terms and 1.0% for sterling investors. The share price total return[1] (in sterling terms) was 7.9%. Over the same period the VN Index fell by 1.0%, again on a total return basis.

Dividend

Our policy is to pay out dividends of approximately 1% of NAV per share, twice each year and normally declared in March and October. In October 2023 we declared a dividend of 7.0 cents per share which was paid in December. In line with the performance of the Company over the first half of the financial year, the Board has declared an unchanged dividend of 7.0 cents per share which will be payable to shareholders on 13 May 2024.

Gearing

In March 2024, the Company agreed to extend its USD40 million secured revolving credit facility with Standard Chartered Bank for a third year and the facility will now run until March 2025. The facility has provided a useful source of short-term liquidity for the Investment Manager as it manages the Company's cash flows on both implementing and realising investments in private equity and other illiquid instruments.

Marketing and the Discount

As I set out in the annual report, we continue to promote the Company via a number of channels, assisted by our joint brokers, Numis Securities Limited and Barclays Bank plc and our distribution partner, Cadarn Capital. A variety of information is available to existing and potential investors with the aim of stimulating demand for the shares: a detailed fact sheet is issued each month and regular updates on the Vietnamese market and economy in both written and video form are posted to our website. I again encourage you to sign up to be notified of new publications at https://vof.vinacapital.com if you have not already done so.

In common with much of the closed-end fund sector, the discount was under pressure for the period under review. The Board uses share buybacks as the principal tool for managing the discount and, over the six months to 31 December 2023, approximately 3.8 million shares were bought back, which was 2% of shares in issue at the start of the period. As a result of this action, the discount over the period remained in the range 17-20%. The discounts at which shares were bought back resulted in an increase in the NAV of approximately 3.0 cents per share to the benefit of continuing shareholders. Over the first couple of months of 2024 the discount has come under further pressure as a significant institutional shareholder reduced its exposure to Vietnam following a review of its portfolio. The Board redoubled its efforts to use the buyback to provide liquidity and 2.2 million shares were bought back in January and February. As I write this, the discount has stabilised in the range 20-22%.

We will continue to publicise the long-term potential of investment in Vietnam and the benefits of the Company's unique approach to investing and will continue to use share buybacks to provide liquidity and to seek to narrow the discount where we believe that these are in the best interests of shareholders.

Investment Management Fees

The Board recognises that there is downward pressure on investment management fees in many parts of the world. However, we also recognise that Vietnam is a developing market and the types of investment which the Company typically makes require a high level of resources, both in negotiating investments and in managing existing holdings.

[1] An Alternative Performance Measure: see Glossary for further details

Investment Management Fees (continued)

Balancing these pressures, in March 2023 we agreed a reduction in the fees that VinaCapital charges for the management of the Company and the changes were set out in full in the Annual Report for the year to 30 June 2023. The revised fees came into effect on 1 July 2023 and have been in operation for the whole of the period under review.

The Board

Since the retirement of Thuy Dam last year, the Board has had lower female representation than best corporate governance practice requires. We are currently in the middle of a recruitment exercise which aims to redress the balance and I hope to make a further announcement in this regard in due course.

Audit Tender

PricewaterhouseCoopers CI LLP has been the external auditor of the Company for the past eight years and, in compliance with best practice, the Audit Committee put out the audit to competitive tender in the latter part of 2023. Following a rigorous tender process, the Board of Directors has now approved the appointment of Ernst & Young LLP as the external auditor of the Company for the financial year ending 30 June 2024. Full details of the audit tender process will be disclosed in the Company's annual report and financial statements for the year ending 30 June 2024.

Annual General Meeting

All of the Resolutions proposed at the AGM held on 6 December 2023 were passed (or, in the case of Resolution 14, not passed) in line with the Board's recommendations and I would like to record my thanks for shareholders' continuing support.

With Resolution 14 – that the Company should cease to continue as currently constituted – the Company's second largest shareholder, representing approximately 23% of the votes cast at the AGM (11% of the total issued share capital), voted in favour. I had met representatives of the shareholder prior to the AGM who indicated that they wanted to see the Board introduce a performance conditional tender mechanism ("PCTM"). I presented arguments why the Board believes that a PCTM would not be in the Company's or the other shareholders' interests but the shareholder was not persuaded and voted against the Board's recommendation. In accordance with the AIC Code, the Board has reflected further and its views on a PCTM are set out below.

The principle underlying a PCTM is that if the performance of an investment company falls below a set level over a particular period, the Board will allow shareholders to tender a proportion of their shares at or close to NAV. In the case of VOF (and, indeed, the vast majority of other investment companies) the shares are likely to be trading at a wider discount than would be offered in the tender so, were this to happen, the tender would likely be fully subscribed. The reasons that the Board does not think that a PCTM is appropriate for VOF can be summarised as follows:

- The most relevant benchmark which is available in Vietnam is the VN Index. This is not representative of all of the opportunities available for investment in Vietnam (for example 10 very large companies make up 42% of the VN Index). Given the concentration of large companies, the index can show volatility as a result of specific issues with one or more of its constituents.

- VOF's portfolio is made up of unquoted investments as well as quoted shares. Consequently, even if the VN Index was representative of all quoted companies in Vietnam, VOF's performance would still differ by virtue of the unquoted elements whose performance would not correlate with the VN Index. As a result of these two factors, the Board does not generally benchmark the Investment Manager's performance against the VN Index.

CHAIRMAN'S STATEMENT (continued)

Annual General Meeting (continued)

- If it were possible to devise an index against which VOF's performance could be fairly measured and VOF's performance was such that a tender was triggered, the Company would be forced to sell investments in order to satisfy the tender. The Vietnamese listed equity markets only offer limited liquidity and, when it became known that VOF was selling a significant part of its portfolio, the prices of the shares which VOF was likely to sell would fall in anticipation. Further, if the Company's unquoted investments were to be put on sale at relatively short notice they would, in general, be likely to be sold at a substantial discount to their true value. Such sales would not be in shareholders' best interests.

- In practice, it would be the most liquid shares which would have to be sold meaning that the remaining portfolio would be made up of the less liquid stocks, including the unquoted investments. As a smaller company with less liquid investments, after any tender it is likely that VOF's share price would trade at a higher discount to the stated NAV than it does at present, again to the detriment of shareholders.

- The Board is also concerned that the Company's many retail shareholders whom, we believe, are supportive of the Company would not participate in a tender. This might act to their disadvantage when compared with institutional investors whom, the Board believes, would all tender their shares, both pro rata to their holdings as well as seeking to participate in a mix and match facility for shares not tendered by other shareholders.

In conclusion, although a PCTM may be appropriate for poorly performing companies investing in quoted securities in liquid markets, the Board believes that the mechanism would not be appropriate for VOF, which has a significant proportion of unquoted stocks in its portfolio. That having been said, the Board is highly focused on the relative and absolute performance of the Company and would take appropriate action if it felt that the Investment Manager was not doing a good job or if the Board were to believe that future returns from the Company's investment strategy are unlikely to be attractive, neither of which is the case at the time of writing.

Outlook

Throughout much of 2023, sentiment in the Vietnamese stock market was overshadowed by liquidity problems in the real estate market. As mentioned in the Investment Manager's report there are signs that the worst of this has now passed: liquidity is beginning to return to the market and confidence is being restored. In the first two months of 2024 the VN Index has risen by 9%, one of the best performing markets in the region. Against this background, the Board is cautiously optimistic about the prospects for the full year to 30 June.

I would like to thank shareholders for their support in voting against the discontinuation of the Company at the AGM in December. The Board believes that performance over the five years before the next discontinuation vote in 2028 should justify that confidence.

Huw Evans
Chairman
VinaCapital Vietnam Opportunity Fund Limited
25 March 2024

INVESTMENT MANAGER'S INTERIM REPORT

Macroeconomic Highlights

A challenging start to the financial year

We started the second half of the calendar year with a guarded sense of hope. This also marked the first half of our financial year, commencing 1 July 2023. Market consensus, as well as government forecasts, were banking on an optimistic outlook to the calendar year, with a base-case recovery led by exports and tourism reaching pre-Covid levels, and optimism that stronger export orders to the US and developed markets would help bring Vietnam's GDP growth rate back to its 10-year historical average.

However, these hopes were soon dashed and much of that optimism gave way to uncertainty as lingering doubts over the strength of the economic recovery clouded the economic outlook, while sector specific issues including the ongoing challenges concerning the real estate sector and corporate bond market persisted. Investors were also left wondering how much longer the impasse on project approvals would continue given the reluctance by the government to approve major real estate, land or infrastructure projects. Furthermore, the ongoing fall-out from the anti-corruption initiative, which has led to several high-profile arrests and disciplinary actions on government and business leaders, has left a sense of uncertainty among some foreign investors.

That being said, during the year, the government did seem to try their very best to support key sectors in the economy, evidenced by a slew of laws and decrees being issued and implemented into policy, several of which deal with problems concerning the real estate market, corporate bonds, interest rates, public spending and domestic consumption. These efforts are commendable, and longer-term will certainly help in the recovery of key sectors of the economy.

Resilient GDP growth despite challenges

In the short term, however, the headwinds proved too strong and for 2023, Vietnam posted a modest GDP growth of 5.05% year-on-year ("y-o-y").

A drop in manufacturing output and exports had an impact on Vietnam's growth given that the economy is among the most trade-dependent in the world with total exports plus total imports equivalent to almost 200% of GDP. Additionally, weak consumer confidence resulted in a downturn in consumer spending and the challenges that have dogged the real estate market continue to dampen domestic investor and consumer sentiment.

Within this modest GDP growth figure, the fourth quarter of the calendar year saw an unexpectedly strong economic recovery, with GDP rising 6.7% compared to the weak 3.3% y-o-y growth in the first quarter of the calendar year.

Looking ahead however, we expect Vietnam's GDP growth to rebound to 6.0% to 6.5% in 2024, driven by a recovery in manufacturing and export activity, a modest acceleration in domestic consumption, further improvements in international tourist arrivals, and the resumption of public spending on national infrastructure projects. Furthermore, a combination of new land law reforms and accommodative monetary policy with lower interest rates should also support the real estate sector recovery.

Our Chief Economist provides a wrap-up of the key economic highlights for 2023 and outlook for 2024 in a report which is available on our website VOF Corporate Literature - VinaCapital.

Recovering demand in exports

The deceleration of Vietnam's manufacturing sector output to just 1.6% y-o-y growth in 2023 (vs. 8% growth in 2022) is the single-biggest factor weighing on the country's modest GDP growth for the year. In 2023, US firms reduced their inventories at the fastest pace over the last decade, cutting their orders for "Made in Vietnam" products.

There are clear signs that the destocking process which weighed on Vietnam's exports to the US is now coming to an end. By the end of summer, there appears to have been a rebound in exports, particularly for consumer electronic products and evidenced by a ~4% average month-on-month (m-o-m) growth starting in August, which is a very high level.

Recovering demand in exports (continued)

By the end of the year, Vietnam posted a record trade surplus of more than USD28 billion, but admittedly on declining exports (USD356 billion, -4.4% y-o-y) and import figures (USD328 billion, -8.9% y-o-y). Both FDI disbursements and registrations were strong for 2023, with over USD23 billion (+3.5% y-o-y) for disbursements, and USD36 billion (+24.4% y-o-y) for registrations. The trade surplus and FDI disbursements contribute significantly to Vietnam's foreign reserves and in turn has provided support for the local currency, the VND.

Looking ahead, we expect manufacturing activity in Vietnam and exports – especially exports to the US – will rebound in 2024, as the inventory destocking process mentioned above is now coming to an end. Specifically, we expect Vietnam's manufacturing output to rebound to 8-9% growth in 2024, which will certainly help lift the country's GDP growth. However, this is still lower than the double-digit growth rates that Vietnam's manufacturing sector typically achieved pre-Covid. The anticipated lower growth is due to the potential impacts of a possible modest recession or slowdown in the global economy in late 2024 and changes in consumer purchasing patterns, which could lead consumers in developed markets to cut down on spending.

We think that the freshly inked Comprehensive Strategic Partnership that Vietnam has signed with the US will further cement Vietnam's position in the US "friendshoring" orbit. Furthermore, Vietnam was the only country that both Joe Biden and Xi Jinping visited in 2023!

Return of foreign tourists

The other factor supporting Vietnam's economy in 2023 has been the rebound in domestic tourism. With a population slightly over 100 million, Vietnamese have taken to traveling domestically particularly during weekends and holidays as many high-quality offerings have emerged with the rapid development of the country's many coastal and secondary cities. While domestic tourism is booming post-Covid, overall foreign tourist arrivals have stabilised at around 70% of pre-Covid levels over the last several months (versus circa 60% for the rest of Asia), with almost 13 million foreign arrivals during 2023.

However, the full recovery in tourism continues to be held back in part by the lack of Chinese visitors. Chinese tourists, who accounted for 30% of the foreign tourist arrivals in Vietnam pre-Covid, have not returned to Southeast Asia en masse despite China's post-Covid reopening earlier in 2023. Chinese tourist visits to Vietnam have only reached 30% of the pre-Covid levels, in contrast to the approximately 90% recovery of non-Chinese tourists, and tourist arrivals from countries such as South Korea, the US, and Europe have recovered to surpass pre-COVID levels. Encouragingly, as we headed into the Lunar New Year in early 2024, we have seen a growing number of Chinese tourists visit, and there has been a surge in visitors from India thanks to the extensive network of flights between Vietnam and India.

We expect the tourism sector to continue to recover in 2024. Steps have been taken to relax visa requirements to encourage more visitors and drive further growth. Tourism directly contributes about 8% of GDP, while indirectly that contribution figure could double and so a recovery in tourism will be a strong positive for Vietnam's growth.

Rebound in domestic consumption

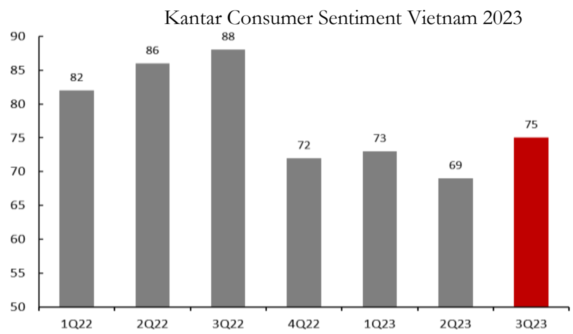


Chart 1: Vietnam Retails Sales 2023

Chart 2: Consumer Sentiment Survey Vietnam 2023

Source: VinaCapital, GSO, Kantar

Rebound in domestic consumption (continued)

The growth of retail sales, stripping out the impact of inflation, dropped from 15.8% in 2022 to 7.1% in 2023 (or 10% in nominal terms), one of the lowest figures for growth over the past 10 years; nearly all retail sales growth in 2023 can be attributed to a recovery of Vietnam's tourist arrivals. Were it not for this recovery in the tourism sector, consumption in Vietnam would likely be flat on a year-on-year basis.

Domestic consumption remained weak in 2023, as confidence was undermined by widespread layoffs in the manufacturing industry at the start of the calendar year, and further impaired by the slowdown in manufacturing activity and exports, as well as the persistent challenges that have dogged the real estate market and corporate bond activity. Furthermore, the high interest rate environment that dominated much of 2022 into 2023 meant that depositors were earning a disproportionately high rate of interest – at times over 10% p.a. – simply by leaving cash in 6-month to 12-month term deposits. Given market performance and uncertain economic conditions, keeping money on deposit was attractive during this period.

According to Vietnam's General Statistics Office, industrial employment was essentially unchanged year-on-year by November 2023, and factories flipped from laying off workers to expanding their workforces by October, according to Vietnam's PMI survey. That said, factory wages were up by less than 5% y-o-y, according to the Vietnamese Government Statistics Office and other sources, which is lower than the typical 7-10% y-o-y wage growth and reflects overall weak conditions in the labour market.

However, there are indicators that this period of weakness may be coming to an end. As noted above, factories have started to re-hire workers and public sector salaries are slated to increase from the middle of 2024, suggesting that domestic spending will be stronger in 2024 than in 2023. Furthermore, under a low interest rate environment, we expect retail spending growth rates to improve as consumer confidence returns.

Consumer sentiment and spending will get a further boost from the nascent thawing of the country's "frozen" real estate market. The highly publicised slowdown in Vietnam's real estate market negatively impacted consumer sentiment to a degree that is out of proportion to the reality of the issues that the market is facing. This is because in Vietnam, as with many countries in Southeast Asia, an individual's wealth is closely tied to real estate assets and transactions. Consequently, we believe that a modest thawing of the real estate market should disproportionately boost consumer sentiment this coming year. The government is actively addressing the challenges facing the country's real estate sector.

As mentioned in previous Investment Manager's reports, the consumer is the biggest beneficiary in Vietnam as competition to deliver goods and services to them at competitive prices is enormous. Furthermore, the rapid adoption of technology to facilitate ordering, deliveries and payments, means that gross margins are squeezed in all parts of the supply chain. The bottom line is that domestic consumer companies will find it very hard to maintain a sustainable and profitable edge against an increasing tide of foreign competitors and products without having clear and compelling selling points to attract consumers.

FDI accelerates as multinationals look to de-risk from China

FDI is one of Vietnam's most important growth drivers, and Vietnam's FDI inflows (USD23 billion in disbursements for 2023, +3.5% y-o-y) have benefitted more than any other country's from the US-China trade war. Three of the main advantages Vietnam has in attracting manufacturing FDI inflows looking ahead are: (1) the availability of a high-quality, low-cost workforce; (2) Vietnam's geographic proximity to Asia's high-tech industry supply chains; and (3) the "friend-shoring" appeal, which means that it has minimal risk of facing high tariffs from the US. These factors have drawn multinationals to invest in Vietnam and has led to a long-term increase in exports, especially of high-tech products.

The country continues to hold strong appeal in attracting high-tech manufacturing in 2024, following US President Biden's visit to Vietnam and the elevation of the Vietnam-US relationship to a Comprehensive Strategic Partnership in September 2023. This is reflected in a series of announcements from leading technology firms, including Apple's recent declaration of its intention to relocate key iPad engineering resources to Vietnam. Additionally, one of the biggest opportunities Vietnam has, is the possibility of developing a semiconductor ecosystem, which has been the subject of a good amount of discussion lately.

FDI accelerates as multinationals look to de-risk from China (continued)

After nearly 20 years since the first wave of semiconductor companies arriving, including Renasas from Japan in 2004, and Intel from the US in 2006, Vietnam is set up for the next wave of development thanks to the upgrade of its ties with the US and recent visits by executives from the Semiconductor Industry Association, which represents the industry in the US, and Nvidia from Taiwan, the world's largest chipmaker in terms of market cap.

Companies like FPT Corporation (HOSE: FPT, USD5.1 billion market cap, 7.1% NAV) stand to benefit from this technology and semiconductor pivot towards Vietnam and have announced that their semiconductor division will look to competitively produce power chips. There is a noticeable shift away from traditional labour-intensive sectors, as Vietnam becomes a focal point for emerging industries like semiconductors and advanced areas of technology.

Overall, Vietnam has a unique position in the world's evolving geopolitical landscape, which benefits investors because multinational companies that set up a factory in Vietnam need not worry about being able to sell their products into the US market, nor their ability to access production inputs from China – since Vietnam is being actively courted by both countries.

Interest rates pivot to support growth

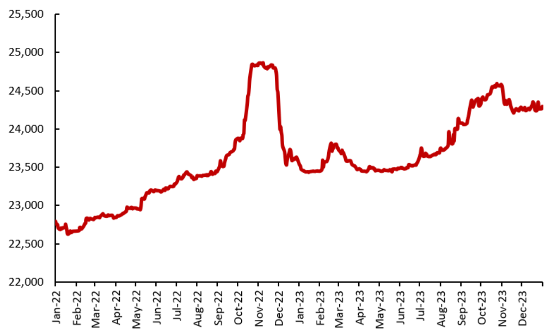


Chart 3: USD-VND Currency Rate 2022-2023
Source: VinaCapital, State Bank of Vietnam, Bloomberg

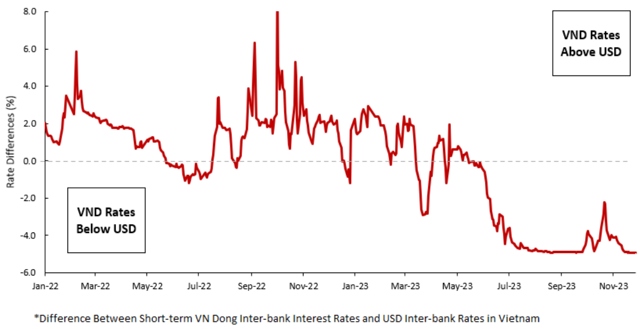


Chart 4: USD versus VND interest rate gap 2022-2023

The resiliency of the VN Dong at the beginning of 2023, despite a surge in the value of the US Dollar, allowed Vietnam's central bank to cut policy rates during 2023. The value of the VN Dong was supported by a surge in Vietnam's trade surplus from 3% of GDP in 2022 to 6% of GDP in 2023, and a 3.5% y-o-y increase in disbursed FDI inflows. Consequently, Vietnam's central bank cut policy interest rates by 150 basis points earlier in 2023, in contrast to the 100 basis points of rate hikes by the US Federal Reserve. Local lending rates dropped to 8 to 9%, down from the late 2022 peak of 12 to 13% and approached the record lows of 7 to 8% seen in 2021.

We do not expect the SBV to make any big changes to policy interest rates in 2024. That is partially because we do not expect another surge in the value of the US Dollar in 2024, which was the main reason why the SBV hiked policy interest rates in late 2022, in order to protect the value of the VND. The SBV then was able to cut policy interest rates in 1H2023 which enabled a stable USD-VND exchange rate for the year. These lower interest rates are expected to attract investment flows into the real estate market and reduce funding costs for enterprises, which, in turn, should help support the continuation of economic growth into 2024. The net result was that the USD-VND exchange rate ended up depreciating by 2.7% last calendar year.

Risks and challenges for the year ahead

Geopolitical uncertainties: The level of geopolitical tension in the world is high. Furthermore the outcome of the US election in November 2024 may bring further uncertainty. Against this background, Vietnam has cultivated strong economic ties with the USA, China, its other near neighbours and other developed countries which should enable it to steer a path through uncertainty.

Risks and challenges for the year ahead (continued)

Economic growth: The main risk to our moderately positive outlook is the possibility of a slowdown in global growth, which would naturally cause the demand for "Made in Vietnam" products to slow or decline. The value of the US Dollar would likely appreciate in such a scenario, as it typically does, driven by "safe haven" buying. This would limit the ability of Vietnamese policy makers to respond to a slowing Vietnamese economy by slashing domestic interest rates, given that Vietnamese policy makers have already taken rates down to very low levels over the past year.

That said, the Vietnamese Government would have ample ability to respond to such a crisis through fiscal stimulus, which would include a surge in infrastructure spending. In early 2023, Vietnam's Government guided its intention to increase infrastructure spending by about 50% to about USD30 billion or 7% of GDP last year (up from 4% of GDP in 2022).

Early indications are that infrastructure spending did increase to around USD25 billion (or 6% of GDP) in 2023, and that the Government plans a similar level of spending in 2024. Critically, the Government's past prudence permits it to significantly ramp up spending if it wanted to. The State Treasury of Vietnam has nearly USD40 billion of undisbursed funds deposited in the country's commercial banks – most of which was earmarked for infrastructure projects in past years but was not spent – and Vietnam's Government debt-to-GDP ratio is below 40%, which is very low compared to most emerging and developed market countries around the world.

The Vietnamese government implemented several minor measures to boost the economy in 2023, including a temporary cut in the country's VAT rate from 10% to 8%, and a cut in the environmental tax on petrol. However, these measures probably equated to a total of about 0.5% of GDP. A planned increase in public sector salaries next year will probably equate to another circa 1% of GDP of stimulus to the economy through consumer spending. All of that said, we expect that, if needed, the Government could do much more to support the economy.

Moderate inflation: We expect CPI inflation in Vietnam to average 3-4% in 2024, which is similar to the level in 2023. However, it is important to note that inflation in 2024 will depend a lot on oil prices, which remain uncertain under the current shroud of geopolitical tensions. That said, we believe that if inflation in Vietnam were to remain above 4-5% for any length of time, the SBV would take appropriate steps to cool inflation by raising interest rates.

Furthermore, we do not expect inflation to factor into the SBV's decisions in 2024, partly because China is currently experiencing falling consumer prices prompting many to anticipate that China will "export deflation" to the rest of the world – and Vietnam would certainly experience lower increases in food prices amongst other things as a result.

With inflation well below 4% and interest rates rapidly declining in the second half of 2023, there were high hopes that credit growth would reach the annual target of 14%, yet it delivered a little over 11% by the end of 2023. There was also hope that lower interest rates would address the sluggish property market but there was disappointment in this area and property developers were also challenged with deleveraging and getting regulatory approvals while demand remains underwhelming.

Strength of the local currency: The VND is likely to experience some depreciation of 2-3% in its value in 2024. This is primarily because Vietnam's large trade surplus from 2023 is expected to decrease while remaining in surplus in 2024, and also due to the fact that interest rates in Vietnam remain considerably lower than US Dollar interest rates.

Regulatory risks: It is commendable that the government continues to push forward a program of regulatory changes to improve the operation of the market, address key challenges that several key sectors of the economy face, and importantly helps to address the bureaucratic hurdles that have at times in the past turned away FDI and indirect investments in the stock market. Delays in the power and energy plans and the delayed approval of the Power Development Plan 8 (PDP8) has stymied the attractiveness of several renewable and transitional energy projects, however efforts to trial various programs, including auction mechanisms to replace fixed rates, and push forward various power and transmission projects will, we believe, have a positive impact.

Risks and challenges for the year ahead (continued)

Regulatory risks: For the real estate sector, the National Assembly held several meetings during late 2023 to table and approve important amendments to several laws that impact the real estate sector, including the Amended Housing Law, the Amended Real Estate Business Law, while the Amended Land Law and the Amended Law on Credit Institutions have been tabled and approved in January 2024. Overall, the laws seek to remove legal bottlenecks, and establish a framework for fair treatment of land compensation and pricing, and overall provide developers with smoother legal procedures. These changes will support overall market sentiment, help resolve many legal bottlenecks, and encourage developers, particularly those with large backlogs of projects, to launch new projects. Nevertheless, the key risk is to ensure that these laws come into effect by the planned effective date of January 2025.

On-going anti-corruption efforts: The high-profile arrests of business leaders and senior political figures in 2022 and the early part of 2023 triggered a series of perhaps unintended consequences, both in the stock market and for the perception of Vietnam amongst some in the international investor community, as investors do not welcome uncertainty. Fortunately, there have not been any further significant arrests of business leaders, and investigation continues with the case involving former property tycoon, Madame Truong My Lan of Van Thinh Phat and Saigon Commercial Bank who is now accused of embezzling USD12.5 billion according to state investigators.

Overall – and long-term – we view that these investigations, arrests, and punishments that are occurring will be net positive for the country, and for the market, firmly sending out a message that in Vietnam, wrong-doing will not be tolerated. Nevertheless, in the short-term, these events can have short-lived but sharp impacts on the market.

Market Highlights

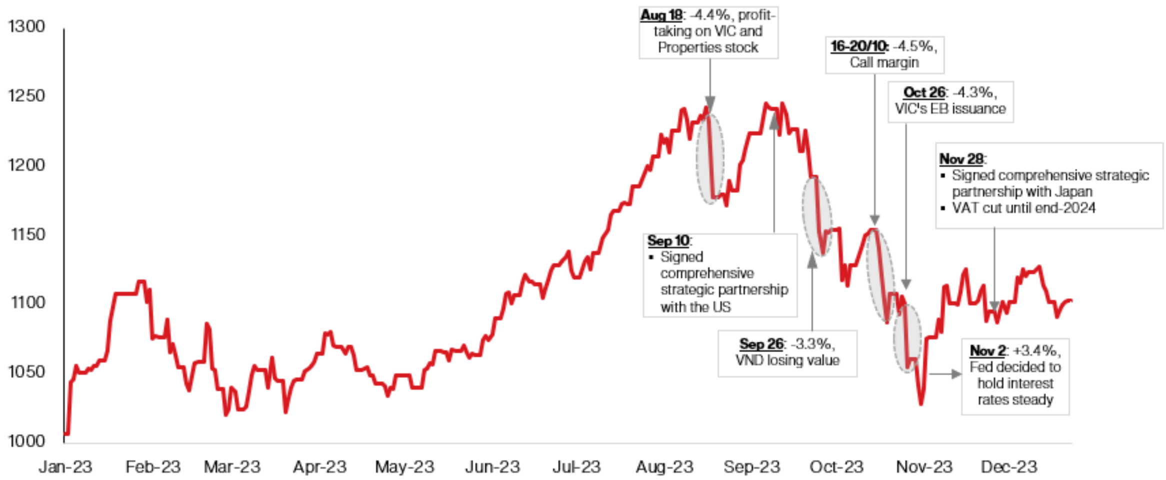


Chart: VN Index Key Events of 2023

Source: Bloomberg, VinaCapital Research.

VN Index remains the best performing market in the region for 2023

In last year's interim Investment Manager's report, we indicated that Vietnam's stock markets rarely face two consecutive down years of return. While 2022 was a very disappointing year for the market which was down -34%, we had expected 2023 would be better, but that it would still not recover all the losses incurred in 2022 and, along the way to recovery, the market would face significant volatility.

VN Index remains the best performing market in the region for 2023 (continued)

In contrast to the modest economic performance, the VN Index closed the calendar year at 1,129 points, delivering a praiseworthy 11.1% annual total return in USD terms ($TR) (or 12% in VND simple terms). During the first nine months of the calendar year, the VN Index surged by 24%, driven by declining deposit interest rates and government measures to support the country's corporate bond market early in the year. However, the last quarter of 2023 saw several home-grown events wipe out much of the gains in the market year-to-date, exacerbated by fears of a rapid ~4% currency devaluation in the September / October period, which prompted the SBV to intervene to tighten monetary policy and support the local currency. Thankfully, by November the market had found surer footing, with the VN Index posting an 8.0% monthly gain, followed by a further 3.3% gain in December.

Overall, the VN Index was one of the best performing markets in Southeast Asia in 2023, outperforming regional peers including Thailand (-14.0%), Indonesia (7.0%), Philippines (-1.0%) and Malaysia (-7.0%), and as well as the MSCI global emerging markets index (7.0%) in $TR terms. The long-term outlook for the market into 2024 is positive, supported by a recovery in corporate earnings and economic growth, along with strong market liquidity.

Vietnam remained a retail investor-driven market in 2023; domestic individuals accounted for 82% of total transactions during the year. Along with declining interest rates and accommodating policies, investors found confidence to return to the market, and the market saw the ADTV reach peak levels of over USD 1 billion in August and September. For the full year, the ADTV was an impressive USD738 million, almost twice the average volume witnessed in late 2022. While domestic retail investors still account for the lion's share of market turnover, local institutional investors account for just 9%, with foreign investors representing only 10% of average market turnover. Disappointingly, foreign investors were net sellers to the tune of USD942 million in 2023; nearly half of that amount was sold in December alone, driven by profit-taking activities. This contrasts sharply with the inflows experienced at the end of 2022 when the VN Index bottomed out at the 1,000 level.

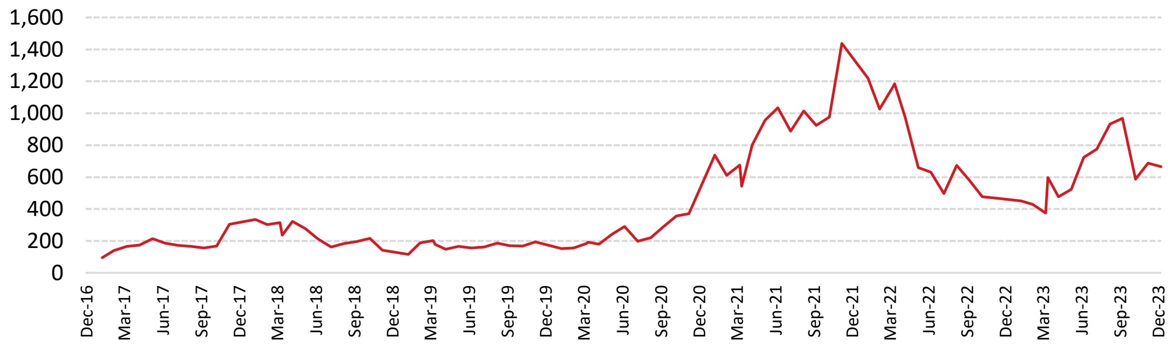


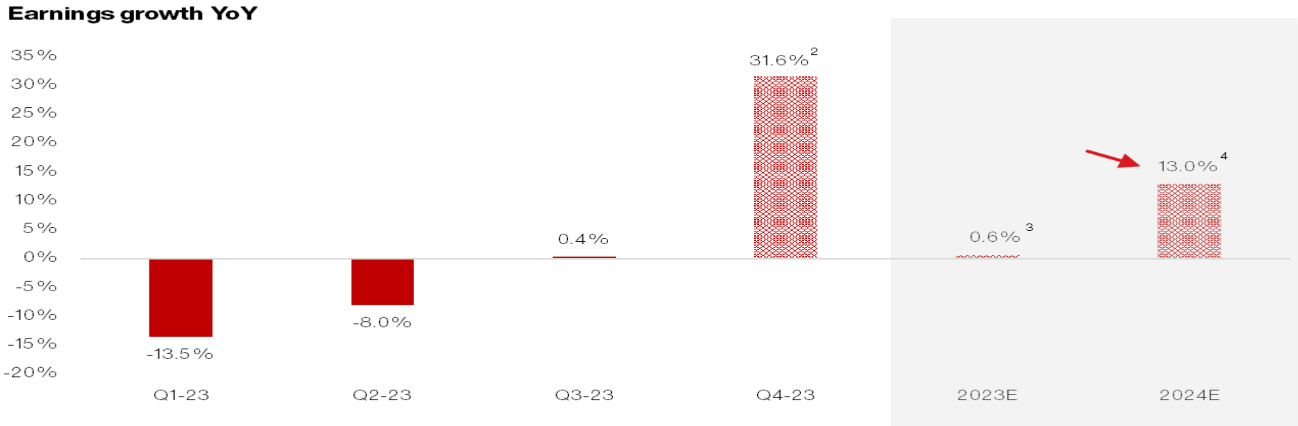
Chart: Average Daily Trading Volume (HOSE exchange only)

Source: VinaCapital, Ho Chi Minh Stock Exchange

Cautious outlook for the market in 2024

Looking forward to 2024, we expect that interest rates will remain stable and domestic investors will be likely to continue diverting money away from bank deposits (owing to much lower deposit rates compared to 12 months ago) and back into the stock market and into real estate. Earnings growth and valuations will be an area of focus for investors, given the flat earnings for 2023, while valuations remain very attractive and below historical averages. This should be supportive for the stock market. Specifically, our Research team expects the earnings of Vietnam's stock market to recover from no growth in 2023 to 10-15% earnings growth in 2024, although our team's forecast tends to be slightly more conservative than market consensus. Furthermore, public equity valuations are at a 30% discount to regional peers, and with a PEG ratio (Price-to-Earnings to Growth ratio) of 0.7x, Vietnam continues to offer attractive valuations while delivering reasonable growth to investors.

Cautious outlook for the market in 2024 (continued)



Source: VinaCapital coverage, representing 90% by market capitalisation, Bloomberg, VND terms

Upgrade to emerging markets remains uncertain but could be a catalyst in 2024 going forward

In addition, it is widely anticipated that implementation of the stock exchange's new KRX trading system potentially in 2024 will help solve certain technical problems, which in turn could lead to Vietnam being upgraded from a Frontier Market to an Emerging Market by the FTSE-Russell Index later in the year. Expectations of an imminent market upgrade tends to attract more foreign inflows and could push daily liquidity past the current ~USD800 million daily level.

Sector Outlook and Highlights

Earnings growth for most sectors positive, while Real Estate and Consumer Staples declined

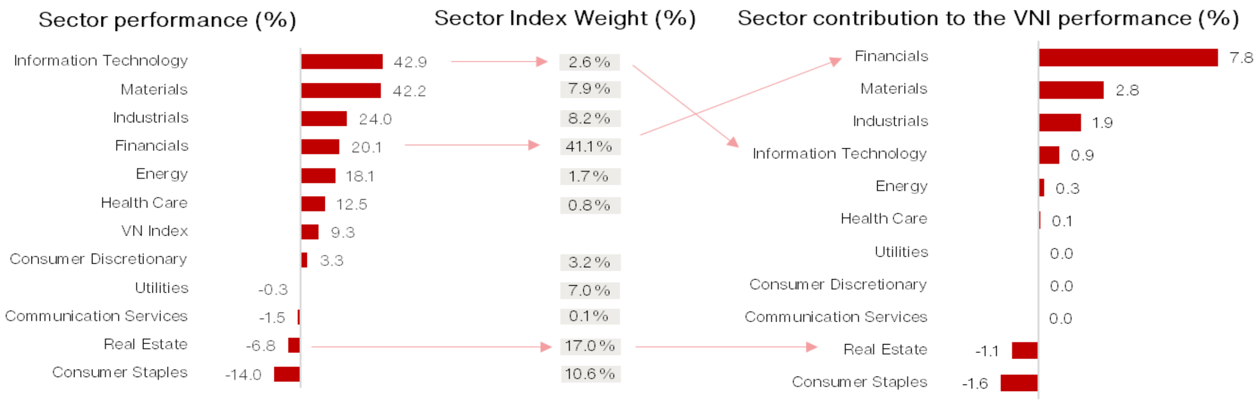


Chart: VN Index 2023 Sector Performance Review for the 12 months to 31 December 2023.

Source: Bloomberg, VinaCapital Research, VND terms

For the full calendar year, Financials (which includes banks and brokers) (20.1% y-o-y, 41.1% index weight), is the largest sector in the index and contributed the most to the past year's market performance. The second-best sector that contributed to the index performance over 2023 was the Materials sector (+42.2% y-o-y, 7.9% index weight), led by Hoa Phat Group (HPG, 9.0% of VOF's NAV), which saw its share price increase by 32% over 2023. Hoa Phat Group is the leading construction steel company and provides high-quality construction steel to factories, industrial parks, logistics and infrastructure projects, as well as to residential developers. HPG is expected to be a key beneficiary of the expected real estate recovery and ongoing spending on infrastructure in 2024, which should help HPG deliver stronger earnings growth.

Earnings growth for most sectors positive, while Real Estate and Consumer Staples declined (continued)

Other sectors that contributed to market performance included Information Technology (+42.9% y-o-y, 2.6% index weight) which was the best performing sector but, owing to its small index market weight, its contribution was lower than the Financials and Materials sector.

While most other sectors were in positive territory, Consumer Staples (-14.0% y-o-y, 10.6% index weight) and Real Estate (-6.8% y-o-y, 17.0% index weight) delivered negative returns for the year. The Real Estate sector is emerging from a challenging year and there appears to be evidence of a cautious recovery as confidence remains subdued and potential delays may arise from regulatory changes, with developers awaiting guidance on new laws. The sluggish economic activity coupled with weak consumer spending has had a negative result on the earnings of Consumer Staples companies.

Even as consumer spending recovers or grows in 2024, which we do expect, consumer staples will find intense competition, will put pressure on their margins and profitability.

Banks: lower interest rates and improving economic outlook are set to further enhance outlook

We believe the outlook for 2024 will continue to improve for the Banking sector. The SBV has set a 15% credit growth target for 2024 and announced the allocation of full-year credit quotas to banks at the beginning of the year rather than staggered quarterly as in the past.

Easing policies (including rate cuts and supportive regulations) in 2023 has led to a significant reduction in deposit rates and a recovery in credit growth. Deposit rates in four state-owned commercial banks dipped further to 5% in 2023 and below 5% in January 2024, which was lower than the level during Covid-times. With a more positive economic outlook and an improvement in borrowing demand, credit growth gained substantial momentum in December, as evidenced by a rise in credit growth from 9.2% in November to 13.5% in December.

We expect loans to real estate developers to lead credit growth to address the maturity of corporate bonds in 2024. The number of mortgage loans is expected to grow, driven by lower lending rates and new project launches, although this is likely to remain at a single digit percentage level. Meanwhile, banks' funding costs are expected to continue to ease into the first half of 2024 as high-rate deposits from the latter half of 2022 and the beginning of 2023 reach maturity, thereby allowing some more room to lower lending rates further, and lead to an improvement in margins.

Emerging from its worst crisis, the real estate sector is positioned for growth in the second half of 2024, driven by supportive government policies and declining interest rates

Vietnam’s real estate sector, accounting for 10% of the country’s GDP, is on the path to recovery. In 2022, the sector grappled with challenges such as tightening of liquidity, anti-corruption investigations, and the arrests of several business leaders, leading to a steep market decline, particularly in the period of September to November of 2022.

However, 2023 marked the beginning of a recovery in the sector, driven by declining deposit rates that have redirected bank savings into property investments, and by government efforts to resolve legal bottlenecks for developers. At the beginning of the year, Vietnam’s central bank actively eased financial pressure by cutting interest rates by 150 basis points. We expect interest rates to remain low in 2024, which should stimulate demand from homebuyers and aid the sector's recovery.

Government initiatives have been pivotal in revitalizing the property market. Decree 8, which took immediate effect in March 2023, allows bond issuers to extend bond maturities by up to two years or to swap matured principal for assets like condominiums and houses. Additionally, local authorities have granted concessions that enable developers to restart suspended projects. This support has been instrumental for Novaland in resuming all of its projects across Ho Chi Minh City, Dong Nai, and Phan Thiet in recent months.

Emerging from its worst crisis, the real estate sector is positioned for growth in the second half of 2024, driven by supportive government policies and declining interest rates (continued)

Successful residential project launches in 2023, like Khang Dien House's Privia and Vinhome's Ocean Park 3, indicates strong housing demand from the rapidly expanding middle class. Khang Dien House (HOSE: KDH, NAV: 9.9%) sold over 80% of the 1,043 apartments in its Privia project, located in Ho Chi Minh City's Binh Tan District in just one weekend in December 2023. Similarly, Vinhome (HOSE: VHM, NAV: 3.6%) reported an 80% take-up for Ocean Park 3 in Hung Yen, near Hanoi, during the second quarter of 2023.

We project that falling mortgage rates will fuel a presale surge in 2024, potentially resulting in a significant increase in net profits for the sector. Transaction volumes are forecasted to reach half of pre-Covid levels, with a significant rise expected in the second half of the year, particularly in the mid-end market. Our Research team estimates that companies under our coverage are set to see a 20% year-on-year presale increase, driven by strong demand, bulk sales, and lower financing costs. The recent approval of the Land Laws, which will come into effect in January 2025, should further boost presales activity in 2024.

A key factor in the Real Estate sector's recovery will be how fast regulatory approvals for projects are obtained and the effectiveness of new laws to give clarity on real estate regulations. Hopes are high that the special session of the National Assembly in January 2024 which approved several important pieces of real estate-related laws will help solve some of the issues that have impeded real estate development.

VOF Performance and Portfolio Activity

Table 1: Fund and comparison to market performance, as of 31 December 2023.

Total return, USD terms	6 months to 31 Dec 2023	Calendar Year 2023	3YR	5YR	5YR Standard Deviation
VOF NAV	**+1.9%**	**+17.0%**	**+19.4%**	**+53.2%**	**18%**
VOF Share price	**+8.0%**	**+10.3%**	**+7.9%**	**+55.2%**	**-**
VN Index	-1.0%	+11.1%	+1.8%	+31.4%	25%
MSCI EM	+4.8%	+10.1%	-13.7%	+21.8%	-
MSCI VN	-2.0%	+5.9%	-25.8%	-8.0%	-

Source: VinaCapital, Bloomberg. All data on a total return basis.

Note: Data is based on the monthly NAV in USD terms, over the last 5 years to 31 December 2023. Standard deviation is the measure of NAV volatility, based on the annualised standard deviation of the monthly NAV return over the past 5 years. VN Index volatility measured over the same period. A higher standard deviation percentage indicates higher volatility, while a lower standard deviation percentage indicates lower volatility in NAV over a 5-year period.

Over the six-months to 31 December 2023, VOF's NAV increased by +1.9% in USD total return terms ($TR), outperforming the VN Index which declined by -1.0% ($TR) over the same six-month period. The share price performance held up better, increasing +8.0% on a similar basis, and as a result the discount level narrowed to 17.8% over the period under review.

Over the 2023 calendar year, while VOF's NAV performance was impacted by market volatility, the fund delivered +17.0% return ($TR), outperforming the VN Index, and the fund's share price increased 10.3%. The VN Index, while not a benchmark for the fund, does serve as a useful reference for investors, increased by +11.1% ($TR).

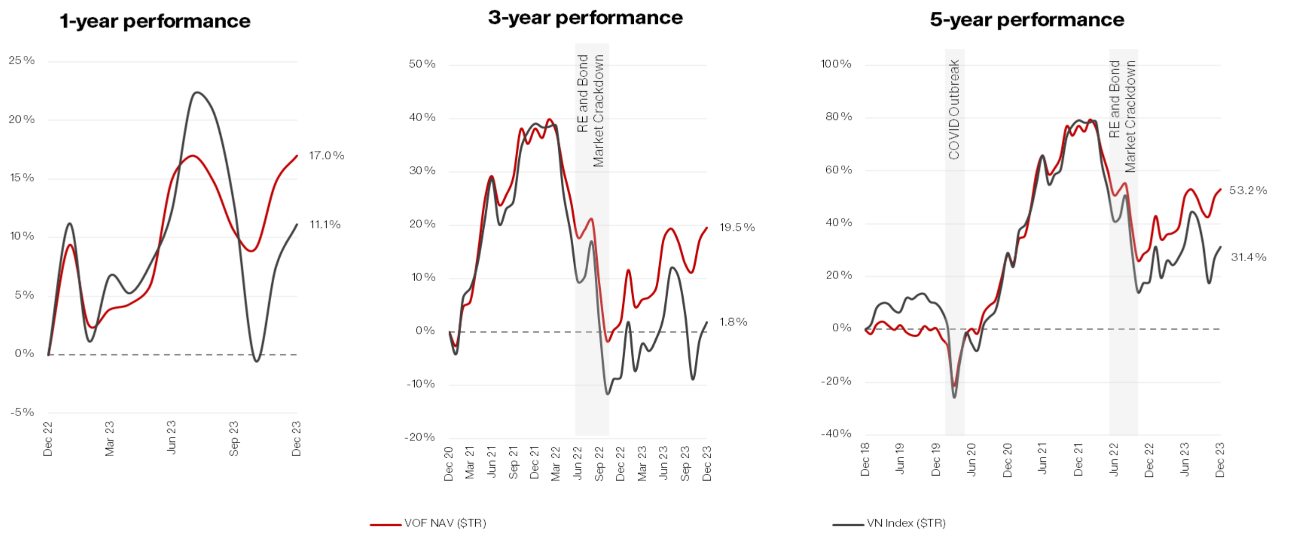
VOF Performance and Portfolio Activity (continued)

VOF continues to outperform the VN Index and over the past 1-year, 3-year and 5-year periods. The outperformance over the longer-term is amplified, with the performance over 3-years and 5-year periods for VOF are 19.5% and 53.2% respectively, while the VN Index delivered 1.8% and 31.4% respectively.

We encourage investors to look at performance over the longer term, as VOF’s strategy is to deliver long-term performance by seeking market leading, well-governed business, that offer resilient growth prospects that benefit from Vietnam’s robust growth story. Importantly, over the longer term, looking through periods of both rising and falling markets, the fund delivers returns at much lower levels of volatility – as measured by the standard deviation of the NAV over an extended period. As of 31 December 2023, the fund’s standard deviation, as measured by the volatility of the NAV over a 5-year period, is 18%, whereas the VN Index volatility is higher, at 25%.

This risk-adjusted return is achieved through diligence in identifying quality companies, negotiating terms of investment for private investments that capture both upside and has downside protections that can be enforced in periods of underperformance, volatility, or breach of investment terms. Two investments categorised as PEPT have these downside protections which we have enforced over the past 18 months. We update on these investments in the following section.

As we look back at the calendar year 2023, the increase in VOF NAV of 17.0% (on a total return basis) was helped by the performance of the publicly listed equities portfolio. VOF’s listed equities, as a whole, increased by 20.4% while the Vietnam Index increased by 11.1% ($TR). Over the years, we have invested and continue to hold high quality publicly listed investments, most of which were acquired prior to their listing on the Vietnamese stock markets or invested while private equity investments and have subsequently crossed over to become publicly listed companies.



Charts: VOF NAV versus VN Index total returns over 1-year, 3-year and 5-year periods, as of 31 December 2023 (USD terms).

Source: VinaCapital, Bloomberg, USD total return terms***.***

VOF's investment strategy: a recap

VOF’s investment strategy is able to deliver a relatively stable rate of return that is in excess of the market. Core to our investment strategy is our ability to perform proper due diligence on companies prior to investing and this has helped VOF select companies of high quality. The view is that these companies, whether they are listed or not listed, have very low liquidity in this frontier market. As a result, full due diligence prior to VOF’s investment is key to filtering through quality companies that have a wide strategic moat, led by high calibre managers, knowing that VOF will be long-term investors.

VOF's investment strategy: a recap (continued)

VOF's strategy is to invest into private equity and private markets opportunities in Vietnam. Since inception, we have invested in over 200 companies in Vietnam, and today we have exposure to top companies in Vietnam across several sectors, including banks and financials, real estate, construction materials, consumer discretionary, technology and healthcare within the VOF portfolio.

Many publicly listed companies in Vietnam still impose restrictive foreign ownership limits. Although public companies are permitted to lift these limits, fewer than 100 companies have chosen to do so. As such, particularly for high-quality publicly listed companies with no room for additional foreign investment, foreign investors may need to pay a premium if they want to find a foothold into these publicly listed companies.

In private companies which are unlisted, these foreign ownership restrictions largely do not apply, enabling our fund to take meaningful stakes in these high-quality companies. Our approach involves identifying both private companies and investing at an early stage of their development and capture their long-term growth. Moreover, within private companies, we are able to exert significantly more influence on governance and help push forward strategic drivers for growth.

Our approach to investing involves understanding business owners, their motivation and ensuring that we identify good management teams to work with. Furthermore, we perform extensive due diligence prior to investing in private companies, this due diligence may be financial, legal, operational, and ESG due diligence to help us identify weaknesses and ensure that we invest in equality companies. In addition, we seek terms of investments to protect our downside in the event of business under performance, but importantly ensures that we can participate in the growth and upside of these companies as they mature, and we seek to exit.

Top portfolio holdings as of 31 December 2023

	Top 10 Public Equity Holdings	As of 31 Dec 2023	
	Investee Company	**% of NAV**	**Sector**
1	Asia Commercial Bank (ACB)	13.6	Financials
2	Khang Dien House (KDH)	9.9	Real estate
3	Hoa Phat Group (HPG)	9.0	Materials
4	FPT Corporation (FPT)	7.1	Information Technology
5	Vietnam Prosperity Bank (VPB)	5.2	Financials
6	Airports Corporation of Vietnam (ACV)	4.8	Industrials
7	Phu Nhuan Jewelry (PNJ)	3.9	Consumer Discretionary
8	Vinhomes (VHM)	3.6	Real estate
9	Orient Commercial Bank (OCB)	3.2	Financials
10	Dat Xanh Services (DXS)	3.0	Real Estate
	Total	**63.3%**	

Source: VinaCapital

Contributors to VOF performance

As we look at the contribution to performance over the past six months to 31 December 2023, our long-term strategy of investing into quality businesses in Vietnam continues to capture the strong performance of these businesses.

Key contributors to six-month NAV return of +1.9% ($TR)

FPT Corp (HOSE: FPT, NAV:7.1%): Turning to the top contributors to performance over the six-month period under review, the Information Technology sector has performed well and specifically FPT which is one of the top five listed equities holding in the portfolio. Despite the IT sector comprising only 2.6% of the index weight, it was the top-performing sector in 2023 largely driven by FPT Group, Vietnam's largest publicly traded technology company with over USD5.3 billion in market capitalisation and whose share price was up by 25.0% during the year. FPT, established in the 1990s, is Vietnam's leading technology and software service company. FPT's core business is in software outsourcing, which contributes 60% of its revenues and is a leading provider of software outsourcing to countries like Japan and the US. In 2023 revenue from overseas topped USD 1 billion for the first time, and the company expects overseas revenues to reach USD 5 billion by 2030 according to the Chairman Mr Truong Gia Binh.

Key contributors to six-month NAV return of +1.9% ($TR) (continued)

FPT Corp (HOSE: FPT, NAV:7.1%): It is well positioned to capitalise on the digital transformation trend that is occurring across local and global markets, with Japan, the US, and Europe being its largest markets for software outsourcing. FPT's financial results reflect this strong position, with a reported revenue increase of 20% y-o-y to USD 2.1 billion, and a net profit rise of 22% y-o-y to USD260 million for 2023.

FPT is benefiting from tailwinds that the semiconductor industry is experiencing in general, and Vietnam specifically, as it garners interest from US chip manufacturers and technology companies like Apple. As we witness a shift away from traditional labour-intensive sectors, Vietnam has recently become a focal point for growing industries like semiconductors and other areas of technology. The company's global IT business and expansion strategy, especially in Europe, are expected to benefit from the increasing global demand for IT services. FPT recently launched its automotive technology subsidiary and acquired an 80% stake in the French IT consulting firm AOSIS. The acquisition will integrate hundreds of IT experts from AOSIS, who have a deep understanding of the French and European markets, into FPT's global network. In November 2023 FPT announced the acquisition of US-based product engineering services firm Cardinal Peak, after completing two earlier acquisitions in the US during the year. It has also announced that it seeks to expand into artificial intelligence with chip titan Nvidia Corp.

We have invested in FPT since 2017 and during the past six-months have seen our holding in FPT increase +24.9%, giving a weighted contribution of +1.5% to returns during this period and the top contributor to VOF's performance during this period.

Khang Dien House (HOSE: KDH, NAV: 9.9%): Is the second largest holding in the portfolio and was the second largest contributor to performance during the period. As discussed earlier, the performance of the real estate sector has stabilised, and the outlook is set to improve. An important set of laws has been fast-tracked for approval in November 2023 and in January 2024, and once they come into effect in January 2025 will help address many of the bottlenecks and challenges that the sector faces. KDH is a well-known developer of landed property for townhouses and villas in HCMC and it has recently expanded into mid-range condo developments. In a lower interest rate environment with accommodative regulation and credit for properties with clean and clear licensing and paperwork, KDH is well positioned for a property market recovery, given its solid financials and brand equity among buyers. A testament to this is KDH's recent successful launch of its Privia project in HCMC's Binh Tan District, where over 80% of the 1,043 units were quickly sold, which should help drive the company's earnings in 2024. Looking ahead, we expect the Emiria project, with approximately 60 low-rise and 600 high-rise units, to launch in the second half of 2024 as construction permits are obtained. This development is anticipated to further enhance the company's earnings growth in 2024 and 2025.

We have invested and served on the board of KDH since 2008 when we entered through a private equity investment and have played a key role in the company's development and growth through the years. KDH today has a USD1.0 billion market capitalization. The value of our holding in KDH increased by 0.3% over the six-month period, and on a weighted basis, contributed +0.9% to returns during the period.

Asia Commercial Bank (HOSE: ACB, NAV: 13.6%): The third largest contributor to performance over the six-month period was ACB, which is the largest holding in the VOF portfolio. We have been invested in the company, which is one of Vietnam's leading commercial banks with USD4.2 billion market capitalization, since 2020 and again 2022, through two tranches that were privately negotiated investments. The financial sector was the best performing sector in the market over the past year and commercial banks like ACB with high asset quality, prudent credit growth and lending standards with a strong risk management overlay and low exposure to real estate and corporate bond activities have performed well. ACB has been able to deliver high profitability, with the second highest return on equity in the market of between 21-23% and expects to deliver profit growth of 15-17% over 2022-2024 according to management. ACB trades at an attractive 1.2x price-to-book ratio, which is in line with the financial sector average of 1.3x price-to-book ratio and pays out a consistent dividend of almost 4.0%. The value of our holding in ACB increased by 5.4% over the six-month period and given that it is the largest holding in the portfolio, provided a weighted contribution of 0.7% to performance over the period.

Key detractors to performance over the period

Turning to the detractors to performance over the six-month period, the main detractor to performance was real estate developer, Vinhomes.

Vinhomes (HOSE: VHM, NAV: 3.6%): Vinhomes, a subsidiary of Vingroup (HOSE: VIC, Not Held) is the largest residential real estate developer in Vietnam, with a market cap in excess of USD5.6 billion. The company's performance in the fourth quarter of 2023 missed market expectations, with lower-than-anticipated deliveries of new project launches, and weaker gross profit margins. In particular, fourth quarter revenues were down by 72% year-on-year to USD352 million, while net profit was down by 91% year-on-year to USD34 million. Nevertheless, for the full calendar year 2023, performance for the real estate developer has significantly improved, with revenues increasing 66% year-on-year to USD 4.2 billion, and net profit increasing 15% year-on-year to USD 1.3 billion, driven primarily by sales of low-rise units in two mega-projects that were launched during the year. The share price for VHM declined by 27.3% during the six-month period to 31 December, and given the portfolio weight, detracted 1.1% from performance over the period on a weighted contribution basis.

The real estate sector over the same period declined by 12.0%. VHM's share price was particularly volatile during the period, as was the volatility of its parent company, conglomerate Vingroup which was down by 15.0% during the same six-month period. From June through to late August 2023, Vingroup's share price rallied thanks to the anticipation of the Nasdaq listing of its electric vehicle subsidiary, VinFast (NASDAQ: VFS, Not Held), which saw its market cap rise from approximately USD 23 billion at listing to over USD 84 billion on the first day of trading in August 2023, and even reach as high as USD 180 billion during the first few weeks of trading. However, the share price of VinFast subsequently collapsed and by November the market cap dipped below USD 5 billion, before rebounding to around USD 10-12 billion at the time of writing. This wild volatility naturally spilled over to Vingroup, and many investors took the parent company as well as any associated companies related to Vingroup, including Vinhomes, to task and the share prices of these companies experienced significant volatility throughout the September through to December period.

Public Equity with Private Terms ("PEPT")

As we discussed in last year's annual report for the year ended 30 June 2023, efforts continue to resolve and recover our investments in several real estate companies that were classified as PEPT. Many of these investments were directly impacted by the troubles and challenges that faced the real estate sector which we have discussed at length.

Work continues in recovering these investments, and as of the date of this report, the valuations of these investments reflect the current status of these efforts to recover the investment principal and expected returns. We will continue to inform investors as we make further progress on these investments.

Minimal valuation adjustments for the six-month period up to 31 December 2023

Overall, the valuation adjustments from the PEPT and Private Equity investments over the period of review were immaterial and did not have an impact on the reported NAV as at 31 December 2023.

Specifically, within the investments that we have previously discussed with investors concerning the restructuring and recovery efforts, we update below:

Norfolk (Novaland investment, NAV: 3.2%): As discussed in previous reports, we have negotiated an extended repayment plan with the sponsor and expect to recover part or all our investment and expected returns over the forthcoming time period. Given market conditions, a full recovery within this period may be challenging and the current valuation of the investment in the NAV reflects this uncertainty. Nevertheless, the investment manager continues to work on improving the collateral and ensuring that the investment and expected returns are recovered to achieve an IRR that was committed by the sponsor for this PEPT investment.

Public Equity with Private Terms ("PEPT") (continued)

Minimal valuation adjustments for the six-month period up to 31 December 2023 (continued)

Dat Xanh Services (HOSE: DXS, NAV: 3.1%): This investment is now classified as a listed investment. The company has a market cap of USD170 million and is a subsidiary of larger listed real estate company Dat Xanh Group (HOSE: DXG, Not held) with market cap of USD550 million remains challenging. DXG's share price increased by 33.7% over the period of review, while DXS's share price remained relatively flat, increasing by 1.6% in USD terms. We continue to work with the company to improve the collateral and assets held to ensure that we are able to recover the investment cost and expected returns over the coming years. Again, negotiations continue, and we are working with the company to reach a resolution.

Hung Tinh Land (Unlisted: HTL, NAV: 2.1%): This investment is now classified as a private equity investment. The recovery of our investment in privately owned real estate developer Hung Tinh Land is proceeding along the timetable that the company has agreed to. In November 2023 we received the first of the payment instalments that the company has committed to.

Nova Consumer Group (Unlisted: NCG, NAV: 1.5%): As at the end of the calendar year, the investment in NCG was still held in the portfolio. However, as updated in previous reports to investors, significant progress had been made in restructuring this investment to realise the collateral and swap the investment in NCG with the Nova F&B portfolio of operating restaurants. This transaction was completed in January 2024.

Outlook

As we enter 2024, there seems to be a high level of optimism with interest rates low in Vietnam and possibly declining in developed markets worldwide. This is likely to force global investors to shift more investment capital to equity, and there is hope that more consideration will be given to frontier and emerging markets, such as Vietnam. Vietnam's lower interest rate environment will encourage capital investment as well as real estate investment and development. As mentioned earlier, we do expect the average EPS to grow between 10% and 15% making current equity valuations at 10 to 11 times forward PER quite attractive.

On the regulatory front, we are in the midst of a complete restructuring of the property laws. A few years ago, Vietnam revised its Investment Laws, and this led to many conflicts with the existing laws relating to real estate. With these revisions, the process for real estate investments should be much clearer, and importantly help kick-start the process of privatisation (which is known as "equitization" in Vietnam) of state-owned enterprises which have core real estate holdings to move forward again. We have had many discussions with various government entities involved in this process and feel that once the revised Land Law is in place, probably effective in 2025, the equitization process will recommence and this will assist the expected recovery of the real estate sector.

We do have high hopes that several private companies will look to IPO in 2024. Liquidity seems plentiful with domestic investors, but market valuations may be challenging for issuers. Having said that, if businesses can demonstrate a sustainable attractive top-line and bottom-line growth, Vietnamese investors have been known to be generous with valuations.

We do expect the economy to grow at 6% to 7% on average over the next 3 to 5 years. Public equities will be very interesting with strong EPS growth, but a focus on specific sectors will be key to deliver alpha. As we review VOF's sector exposure and where we intend to head, the areas of high interest include healthcare, banks, real estate, and materials while consumer staples, energy and utilities are of less interest. With that said, we do typically identify so-called diamonds in the coal in the less interesting sectors.

We also expect interest rates to remain low. Today, depositors in Vietnam can earn 4% to 5% on term deposit for 12 months. With inflation expected to linger between 4% and 5% and the VND devaluing, depositors will look to alternative assets for investments as real returns are eroded. Furthermore, with Vietnam's restrictions on capital controls on its citizens to invest abroad, we think that real estate, public equities, debt, and gold will be attractive investment classes.

Outlook (continued)

The Vietnamese market has proved to be attractive to both local and international Private Equity investors. The country's economic growth is anchored in traditional sectors and driven by favourable demographics, rapid urbanization, an expanding middle class, and resilient domestic consumption. Additionally, Vietnam’s economy is largely driven by SMEs, which account for 98% of market share and contribute around 50% of national GDP. Many of these SMEs often face challenges in accessing finance or having the operational skills to grow and expand, creating opportunities for PE investments.

Healthcare is a very attractive sector at the moment. We focus primarily on healthcare services and like to invest in hospitals and medical clinics. We have invested in 2 hospital platforms, one in the north and one in the south, totalling up to 14 hospitals and clinics across the country by the time we complete the bolt-on investments recently made. Over the past year, our hospital platform in the South has completed a roll-up of another hospital platform and additionally acquired two more hospitals, increasing the total from four to eight hospitals in this platform.

Last year, we invested in Chicilon, the leading digital advertising infrastructure platform in the country, with over 70% market share in the in-building screen advertising space. This investment has the hallmarks of a typical private equity investment that VOF traditionally makes. That is, to invest a meaningful amount of growth capital to back a strong, local management team, in a sector that benefits from the domestic consumption and rising middle-income class themes, where the company is a leader in its segment, with a strong brand and a wide moat, given its market share and continued investment into technology, innovation and data-analytics.

We look forward to making investments along these terms, where we can apply our private equity and privately negotiated approach to investing.

We continue to monitor the market landscape for opportunities across different sectors. At present, we are actively assessing a high-quality pipeline of over USD200 million in potential private equity opportunities within the banking, logistics, consumer goods, education, and healthcare sectors. As these opportunities reach fruition, we look forward to sharing with our shareholders further details of these investments which will reflect the exciting opportunities that Vietnam continues to offer.

Andy Ho

Managing Director and Chief Investment Officer

25 March 2024

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

INTERIM REPORT OF THE BOARD OF DIRECTORS

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

The Company is a Guernsey domiciled closed ended investment company. It is classified as a registered closed-ended Collective Investment Scheme under The POI Law, 2020 and is subject to the Companies Guernsey Law, 2008.

The Company's shares are quoted on the Main Market of the London Stock Exchange ("LSE") with a Premium Listing (ticker: VOF).

Investing Policy

Investment Objective

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

Investment Policy

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

- No single investment may exceed 20% of the NAV of the Company at the time of investment.
- The Company may from time to time invest in other funds focused on Vietnam. This includes investments in other funds managed by VinaCapital Investment Management Limited (the "Investment Manager"). Any investment or divestment into or out of funds managed by the Investment Manager will be subject to prior approval by the Board.
- The Company may from time to time make co-investments alongside other investors in private equity, real estate or similar assets. This includes, but is not restricted to, co-investments alongside other funds managed by the Investment Manager.
- The Company will not invest in other listed closed-ended funds.

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

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

Principal Risks

The process which the Company follows in order to identify and mitigate its key risks is set out on pages 37 to 42 of the Annual Report and Financial Statements for the year ended 30 June 2023 (the "2023 Annual Report"), a copy of which is available on the Company's website https://vinacapital.com/investment-solutions/offshore-funds/vof/corporate-literature/. The Directors have reviewed the key risks for the remaining six months of the Company's financial year. The risks and mitigants identified are substantially the same as those set out in the 2023 Annual Report. The key risks are summarised below.

Geopolitical
Risks to global growth emerged in February 2022 as a result of the conflict between Russia and Ukraine and continued throughout the half year under review. Geopolitical tensions have heightened in the Middle East. There is also a risk of an increase in the geopolitical tensions in the Asia region.

Principal Risks (continued)

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

Changes in the equilibrium of international trade caused, for example, by the imposition of tariffs could affect the Vietnamese economy and the companies in which the Company is invested.

As Vietnam becomes increasingly connected with the rest of the world, significant world events will have a greater impact on the country. The consequences of these events are not always known and, in the past, have led to increased uncertainty and volatility in the pricing of investments. The continuing effects of the Russian invasion of Ukraine, in particular on global commodity prices, remain a cause for concern. The effects continue to be felt in heightened inflation and higher interest rates intended to combat this.

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

The performance of the Company's investment portfolio could be poor, either absolutely or in relation to the Company's peers. Within the portfolio, individual investments could suffer a partial or total loss of value. For some structured investments, downside protections are subject to risk that the counterparty is unable to meet their obligations.

There is a risk that privately negotiated deals are not executed at the best possible price or that the timing of deals is not optimal due to the presence of co-investors who may have different liquidity or timing requirements.

There is also a risk that the Investment Manager is not able to access suitable private equity investments. Private equity investments are subject to higher execution risk than the risks associated with trading in public markets. Satisfactory performance of private equity investments relies on detailed and continuing management oversight.

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

Fair Valuation
The risks associated with the fair valuation of the portfolio could result in the NAV of the Company being misstated.

The quoted companies in the portfolio are valued at market price but many of the holdings are of a size which would make them difficult to liquidate at these prices in the ordinary course of market activity. The unlisted securities are valued at their quoted prices on UPCoM or using quotations from brokers, but many of the holdings are of a size which may make them difficult to liquidate at these prices in the ordinary course of market activity. The fair valuation of operating assets and private equity investments is carried out according to international valuation standards. In many cases, these valuations are derived using estimates and probabilities of possible outcomes, any of which might prove to be wrong. In addition, the investments are not liquid and are not immediately realisable.

The values of the Company's underlying investments are, on a 'look-through' basis, mainly denominated in VND whereas the Company's Financial Statements are prepared in USD. The Company makes investments and receives income and proceeds from sales of investments in USD. The Company does not hedge its VND exposure, so exchange rate fluctuations could have a material effect on the NAV. The sensitivity of the NAV to exchange rates is set out in note 20(a) of the 2023 Annual Report.

Principal Risks (continued)

Legal and Regulatory
Failure to comply with relevant regulation and legislation in Vietnam, Guernsey, Singapore, the British Virgin Islands or the UK may have an impact on the Company. Although there are anti-bribery and corruption policies in place at the Company, the Investment Manager and all other service providers, the Company could be damaged and suffer losses if any of these policies were breached.

Changing Investor Sentiment
As a Company investing mainly in Vietnam, changes in investor sentiment towards Vietnam and/or emerging and frontier markets in general may lead to the Company becoming unattractive to investors. The clamp down in recent years by the Vietnamese government highlights the risks associated with corruption in Vietnam and may lead to international investors adopting a more cautious approach to investment in the country. Changes in international investor sentiment could lead to reduced demand for its shares and a widening discount.

ESG
As responsible investors, the Board and Investment Manager are aware of the growing focus on ESG matters. There is a risk that the value of an investment could be damaged for example by a failure of governance and/or a failure to protect the environment, employees or the wider community in which a company operates. As evidence of the effects of climate change grows, there is increasing focus by shareholders on investment companies' role in influencing investee companies' approach to environmental risks.

Section 172 Statement

Section 172 of the Companies Act 2006 applies directly to UK domiciled companies. Nonetheless, the intention of the AIC Code is that the matters set out in section 172 are reported on by all London listed investment companies, irrespective of domicile, provided that this does not conflict with local company law.

Section 172 states that: A director of a company must act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to the following six items:

(a) the likely consequences of any decision in the long term;
(b) the interests of the company's employees;
(c) the need to foster the company's business relationships with suppliers, customers and others;
(d) the impact of the company's operations on the community and the environment;
(e) the desirability of the company maintaining a reputation for high standards of business conduct; and
(f) the need to act fairly as between members of the company.

The process which the Company follows in order to consider and adhere to the matters above is set out on pages 25 and 26 of the 2023 Annual Report.

Life of the Company

The Company does not have a fixed life but the Board considers it desirable that shareholders should have the opportunity to review the future of the Company at appropriate intervals. Accordingly, the Board intends that every fifth year a special resolution will be proposed that the Company ceases to continue. If the resolution is not passed, the Company will continue to operate as currently constituted. If the resolution is passed, the Directors will be required to formulate proposals to be put to shareholders to reorganise, unitise or reconstruct the Company or for the Company to be wound up. The Board tabled such resolutions in 2008, 2013, 2018 and most recently during December 2023. On each occasion the resolution was not passed, allowing the Company to continue as currently constituted. The next such resolution will be put to shareholders at the annual general meeting which is expected to be held in December 2028.

Results and Dividend

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

When the Board first declared a dividend in 2017, it was the intention that the Company would pay a dividend representing approximately 1% of NAV twice each year and the Company paid a half yearly dividend of 7.0 cents per share in December 2023. The Board has declared a further half yearly dividend of 7.0 cents per share which will be payable on 13 May 2024.

Performance

The Chairman's Statement and the Investment Manager's Report provide details of the Company's activities and performance during the six-month period.

The KPIs used to measure the progress of the Company during the six-month period include:
• the movement in the Company's NAV total return;
• the movement in the Company's share price; and
• discount of the share price in relation to the NAV.

A discussion of progress against the KPIs is included in the Chairman's Statement.

Related Parties

Details of related party transactions that have taken place during the period and any material changes, if any, are set out in note 20 of the Condensed Interim Financial Statements.

Share repurchase programme

Details of the Company's share repurchase programme are set out in note 11 of the Condensed Interim Financial Statements.

Board of Directors

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

Name	Position	Date of appointment
Huw Evans	Chairman	27 May 2016
Julian Healy	Director	23 July 2018
Kathryn Matthews	Director	10 May 2019
Peter Hames	Director	24 June 2021
Hai Thanh Trinh	Director	30 June 2022

Directors' interests in the Company

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

	Shares held as at 31 December 2023	Shares held as at 30 June 2023
Huw Evans	45,000	35,000
Julian Healy	20,000	15,000
Kathryn Matthews	9,464	9,464
Peter Hames	8,000	8,000
Hai Thanh Trinh	-	-

Going Concern

Under the AIC Code and applicable regulations, the Directors are required to satisfy themselves that it is reasonable to assume that the Company is a going concern. The Directors have undertaken a rigorous review of the Company's ability to continue as a going concern over the period to 31 March 2025 including reviewing the on-going cash flows and level of cash balances as at the reporting date as well as taking forecasts of future cash flows into consideration. After making enquiries of the Investment Manager and having reassessed the principal risks, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the Interim Report and Condensed Interim Financial Statements.

Signed on behalf of the Board by:

Huw Evans
Chairman
VinaCapital Vietnam Opportunity Fund Limited
25 March 2024

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

To the best of their knowledge, the Directors confirm that:

- the Condensed Interim Financial Statements have been prepared in accordance with IAS 34, "Interim Financial Reporting"; and

- the Interim Report, comprising the Chairman's Statement, the Investment Manager's Interim Report and the Interim Report of the Board of Directors, meets the requirements of an interim management report and includes a fair review of information required by:

(i) DTR 4.2.7R of the UK Disclosure and Transparency Rules, being an indication of important events which have occurred during the first six months and their impact on the Condensed Interim Financial Statements, and a description of the principal risks and uncertainties for the remaining six months of the year; and

(ii) DTR 4.2.8R of the UK Disclosure and Transparency Rules, being related party transactions which have taken place in the first six months and which have materially affected the financial position or performance of the Company during that period, and any material changes in the related party transactions disclosed in the 2023 Annual Report.

Signed on behalf of the board by:

Julian Healy
Director
VinaCapital Vietnam Opportunity Fund Limited
25 March 2024

Independent review report to VinaCapital Vietnam Opportunity Fund Limited

Report on the condensed interim financial statements

Our conclusion

We have reviewed VinaCapital Vietnam Opportunity Fund Limited's condensed interim financial statements (the "interim financial statements") in the Interim Report and Condensed Interim Financial Statements of VinaCapital Vietnam Opportunity Fund Limited for the 6-month period ended 31 December 2023 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the condensed statement of financial position as at 31 December 2023;
- the condensed statement of comprehensive income for the period then ended;
- the condensed statement of cash flows for the period then ended;
- the condensed statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the interim report and condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the International Auditing and Assurance Standards Board. A review of interim financial information consists of making enquiries, 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.

We have read the other information contained in the interim report and condensed interim financial statements and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Independent review report to VinaCapital Vietnam Opportunity Fund Limited (continued)

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The interim report and condensed interim financial statements, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report and condensed interim financial statements in accordance with International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the interim report and condensed interim financial statements based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers CI LLP
Chartered Accountants
Guernsey, Channel Islands
25 March 2024

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

CONDENSED STATEMENT OF FINANCIAL POSITION

	Note	31 December 2023 USD'000	30 June 2023 USD'000
		(Unaudited)	(Audited)
TOTAL ASSETS			
Financial assets at FVTPL	8	1,088,858	1,137,428
Prepayments and other assets	10	444	658
Cash and cash equivalents	6	26,659	19,133
Total assets		**1,115,961**	**1,157,219**
TOTAL LIABILITIES			
Accrued expenses and other payables	12	9,224	18,125
Loans and other borrowings	13	-	10,000
Deferred incentive fees	16(b)	-	5,227
Total liabilities		**9,224**	**33,352**
SHAREHOLDERS' EQUITY			
Share capital	11	246,224	267,087
Retained earnings		860,513	856,780
Total shareholders' equity		**1,106,737**	**1,123,867**
Total liabilities and shareholders' equity		**1,115,961**	**1,157,219**
Net asset value, USD per share	18	**7.08**	**7.02**
Net asset value, GBP per share[2]		**5.55**	**5.52**

The Condensed Interim Financial Statements were approved and signed by the Board of Directors on 25 March 2024.

Huw Evans	**Julian Healy**
Chairman	Director

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

[2] The price of the Company's shares is quoted on the London Stock Exchange in GBP. The USD NAV per share has been translated to GBP using the rates of exchange at 31 December 2023 and 30 June 2023

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

CONDENSED STATEMENT OF CHANGES IN EQUITY

		Share capital	Retained earnings	Total equity
For the six months ended 31 December 2022 (Unaudited)	**Note**	**USD'000**	**USD'000**	**USD'000**
Balance at 1 July 2022		**285,314**	**894,786**	**1,180,100**
Loss for the period		-	(160,207)	**(160,207)**
Total comprehensive loss		**-**	**(160,207)**	**(160,207)**
Transactions with shareholders				
Shares repurchased		(10,330)	-	**(10,330)**
Dividends paid		-	(12,941)	**(12,941)**
Balance at 31 December 2022		**274,984**	**721,638**	**996,622**
For the six months ended 31 December 2023 (Unaudited)				
Balance at 1 July 2023		**267,087**	**856,780**	**1,123,867**
Income for the period		-	14,762	**14,762**
Total comprehensive income		**-**	**14,762**	**14,762**
Transactions with shareholders				
Shares repurchased	11	(20,863)	-	**(20,863)**
Dividends paid	9	-	(11,029)	**(11,029)**
Balance at 31 December 2023		**246,224**	**860,513**	**1,106,737**

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

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Note(s)	Six months ended 31 December 2023 USD'000	Six months ended 31 December 2022 USD'000
		(Unaudited)	**(Unaudited)**
Dividend income	14	36,089	32,343
Finance Income		457	-
Net losses on financial assets at FVTPL	15	(10,371)	(202,403)
General and administration expenses	16(a)	(8,959)	(8,980)
Finance cost		-	(208)
Facility set-up costs		(170)	(637)
Finance expense	16(b), 20	(603)	(2,450)
Incentive fee (charge)/clawback	16(b), 20	(1,681)	22,128
Operating profit/(loss)		**14,762**	**(160,207)**
Profit/(loss) before tax		**14,762**	**(160,207)**
Corporate income tax	17	-	-
Profit/(loss) for the period		**14,762**	**(160,207)**
Total comprehensive income/(deficit) for the period		**14,762**	**(160,207)**
Earnings per share			
- basic and diluted (USD per share)	18	**0.09**	**(0.99)**
- basic and diluted (GBP per share)[3]		**0.07**	**(0.82)**

All items were derived from continuing activities.

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

[3] The price of the Company's shares is quoted on the London Stock Exchange in GBP. The USD earnings per share has been translated to GBP using the rates of exchange at 31 December 2023 and 31 December 2022.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

CONDENSED STATEMENT OF CASH FLOWS

	Note(s)	Six months ended 31 December 2023 USD'000	Six months ended 31 December 2022 USD'000
		(Unaudited)	**(Unaudited)**
Operating activities			
Profit/(loss) before tax		14,762	(160,207)
Adjustments for:			
Net losses on financial assets at FVTPL	8, 15	10,371	202,403
Dividend income	14	(36,089)	(32,343)
Facility set-up costs	10	170	637
Finance cost		-	208
Incentive fee charge/(clawback)	16(b), 20	1,681	(22,128)
Finance income		(457)	-
Finance expense	16(b)	603	2,450
		(8,959)	**(8,980)**
Finance income received		356	-
Decrease/(increase) in prepayments and other assets	10	145	(39)
Decrease in liabilities	12	(16,338)	(20,330)
		(24,796)	**(29,349)**
Purchases of financial assets at FVTPL	8	(61,110)	(33,060)
Return of capital from financial assets at FVTPL	8	99,309	54,069
Dividend income	14	36,089	32,343
Net cash generated from operating activities		**74,288**	**53,352**
Financing activities			
Purchase of shares into treasury	11, 12	(20,937)	(10,330)
Loan principal drawdown	13	-	40,000
Loan principal repayments	13	(10,000)	(30,000)
Loan interest paid		-	(179)
Dividends paid	9	(11,029)	(12,941)
Net cash used in financing activities		**(41,966)**	**(13,450)**
Net change in cash and cash equivalents for the period		7,526	10,553
Cash and cash equivalents at the beginning of the period	6	19,133	15,630
Cash and cash equivalents at the end of the period	**6**	**26,659**	**26,183**

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

VinaCapital Vietnam Opportunity Fund Limited (the "Company") is a Guernsey domiciled closed-ended investment company. The Company is classified as a registered closed-ended Collective Investment Scheme under The Protection of Investors (Bailiwick of Guernsey) Law 2020 and is subject to the Companies (Guernsey) Law, 2008.

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

The Company has a Premium Listing on the LSE's Main Market, under the ticker symbol VOF.

The Company does not have a fixed life but the Board considers it desirable that shareholders should have the opportunity to review the future of the Company at appropriate intervals. Accordingly, the Board intends that every fifth year a special resolution will be proposed that the Company ceases to continue. If the resolution is not passed, the Company will continue to operate as currently constituted. If the resolution is passed, the Directors will be required to formulate proposals to be put to shareholders to reorganise, unitise or reconstruct the Company or for the Company to be wound up. The Board tabled such resolutions in 2008, 2013, 2018 and most recently during December 2023. On each occasion the resolution was not passed, allowing the Company to continue as currently constituted. The next such resolution will be put to shareholders at the annual general meeting which is expected to be held in December 2028.

The Condensed Interim Financial Statements for the six-month period ended 31 December 2023 were approved for issue by the Board on 25 March 2024.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The Company has prepared these Condensed Interim Financial Statements on a going concern basis in accordance with the Disclosure and Transparency Rules of the United Kingdom Financial Conduct Authority and IAS 34 "Interim Financial Reporting". These Condensed Interim Financial Statements do not comprise statutory Financial Statements within the meaning of the Companies (Guernsey) Law, 2008, and should be read in conjunction with the Financial Statements of the Company as at and for the year ended 30 June 2023, which were prepared in accordance with International Financial Reporting Standards. The statutory Financial Statements for the year ended 30 June 2023 were approved by the Board of Directors on 23 October 2023. The opinion of the auditors on those Financial Statements was unqualified. The accounting policies adopted in these Condensed Interim Financial Statements are consistent with those of the previous financial year and the corresponding interim reporting period. New and amended standards have been considered in note 2.3. These Condensed Interim Financial Statements for the period ended 31 December 2023 have been reviewed by the Company's Auditors, PricewaterhouseCoopers CI LLP, but not audited and their review report appears earlier in this document. The financial information for the year ended 30 June 2023 has been derived from the Audited Annual Financial Statements of the Company for that year, which were reported on by PricewaterhouseCoopers CI LLP in the Company's Annual Report and Financial Statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Going concern

Under the AIC Code and applicable regulations, the Directors are required to satisfy themselves that it is reasonable to assume that the Company is a going concern. The Directors have undertaken a rigorous review of the Company's ability to continue as a going concern over the period to 31 March 2025 including reviewing the on-going cash flows and level of cash balances as at the reporting date as well as taking forecasts of future cash flows into consideration. After making enquiries of the Investment Manager and having reassessed the principal risks, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the Interim Report and Condensed Interim Financial Statements.

2.3 Changes in accounting policy and disclosures

The Board has considered the new standards and amendments that are mandatorily effective from 1 January 2023 and determined that these do not have a material impact on the Company and are not expected to affect significantly the current or future periods.

2.4 Subsidiaries and associates

The Company meets the definition of an investment entity within IFRS 10 and therefore does not consolidate its subsidiaries but measures them instead at FVTPL.

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

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

2.5 Segment reporting

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

Each of the operating segments is managed and monitored individually by the Investment Manager as each requires different resources and approaches. The Investment Manager assesses segment profit or loss using a measure of operating profit or loss from the underlying investment assets of the subsidiaries. Refer to note 4 for further disclosure regarding allocation to segments.

2.6 Financial Instruments

(a) Recognition and derecognition
Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument. Purchases and sales of financial assets are recognised on the trade date – the date on which the Company commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all of the risks and rewards of ownership. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

(b) Classification of financial assets
The Company classifies its financial assets based on the Company's business model for managing those financial assets and the contractual cashflow characteristics of the financial assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Financial Instruments (continued)

(b) Classification of financial assets (continued)
The Company has classified all investments in equity securities as FVTPL as they are managed and performance is evaluated on a fair value basis. The Company is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Company has not taken the option to designate irrevocably any investment in equity as fair value through other comprehensive income.

The Company's receivables and cash and cash equivalents are classified and subsequently measured at amortised cost as these are held to collect contractual cash flows which represent solely payments of principal and interest.

(c) Initial and subsequent measurement of financial assets
Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, financial assets are initially measured at fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets at FVTPL are expensed in the Condensed Statement of Comprehensive Income.

Subsequent to initial recognition, investments at FVTPL are measured at fair value with gains and losses arising from changes in the fair value recognised in the Condensed Statement of Comprehensive Income.

All other financial assets are subsequently measured at amortised cost using the effective interest rate method, less any impairment.

(d) Impairment of financial assets
At each reporting date, the Company measures the loss allowance on debt assets carried at amortised cost at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition.

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

(e) Classification and measurement of financial liabilities
Financial liabilities are initially measured at fair value plus transaction costs that are directly attributable to their acquisition or issue, other than those classified as at FVTPL in which case transaction costs are recognised directly in profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for financial liabilities designated at FVTPL and held for trading, which are carried subsequently at fair value with gains or losses recognised in the Condensed Statement of Comprehensive Income.

The Company's financial liabilities only include loans and other borrowings and trade and other payables which are measured at amortised cost using the effective interest method.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

When preparing the Condensed Interim Financial Statements, the Company relies on a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. Actual results may differ from the judgements, estimates and assumptions.

Information about significant judgements, estimates and assumptions which have the greatest effect on the recognition and measurement of assets, liabilities, income and expenses were the same as those that applied to the Annual Report and Financial Statements for the year ended 30 June 2023.

3.1 Critical accounting estimates

(a) Fair value of subsidiaries and associates and their underlying investments
The Company holds its investments through a number of subsidiaries and associates which were established for this purpose. At the end of each half of the financial year, the fair values of investments in subsidiaries and associates are reviewed and the fair values of all material investments held by these subsidiaries and associates are assessed. As at 31 December 2023, 100% (30 June 2023: 100%) of the financial assets at FVTPL relate to the Company's investments in subsidiaries and associates that have been fair valued in accordance with the policies set out below.

The shares of the subsidiaries and associates are not publicly traded; return of capital to the Company can only be made by divesting the underlying investments of the subsidiaries and associates. As a result, the carrying value of the subsidiaries and associates may not be indicative of the value ultimately realised on divestment.

The underlying investments include listed and unlisted securities, one operating asset and private equity investments (including investments classified as "public equity with private terms"). Where an active market exists (for example, for listed securities), the fair value of the subsidiary or associate reflects the valuation of the underlying holdings, as disclosed below. Where no active market exists, valuation techniques are used.

Information about the significant judgements, estimates and assumptions which are used in the valuation of the investments is discussed below.

(a.1) Valuation of assets that are traded in an active market
The fair values of listed securities are based on quoted market prices at the close of trading on the reporting date. The fair values of unlisted securities which are traded on Vietnam's Unlisted Public Company Market ("UPCoM") are based on published prices at the close of business on the reporting date. For other unlisted securities which are traded in an active market, fair value is the average quoted price at the close of trading obtained from a minimum sample of five reputable securities companies at the reporting date. Other relevant measurement bases are used if broker quotes are not available or if better and more reliable information is available.

(a.2) Valuation of investments in private equities
As at the financial year-end, the Company's underlying investments in private equities are fair valued by an Independent Valuer or by the Investment Manager using a number of methodologies such as adjusted net asset valuations, discounted cash flows, income related multiples, price-to-book ratios, structured financial arrangements and blended models. The projected future cash flows are driven by management's business strategies and goals and its assumptions of growth in GDP, market demand, inflation, ESG risk, etc. For the principal investments, the Independent Valuer and, where relevant, the Investment Manager selects appropriate discount rates that reflect the level of certainty of the quantum and timing of the projected cash flows.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

3.1 Critical accounting estimates (continued)

(a) Fair value of subsidiaries and associates and their underlying investments (continued)
(a.2) Valuation of investments in private equities (continued)
As at 31 December 2023, the Investment Manager reviewed the valuations carried out as at 30 June 2023 and considered whether there were any changes to performance or the circumstances of the underlying investments which would affect the fair values. Methods, assumptions, and data were consistently applied from 30 June 2023 except for certain underlying private equity investments where a change in assumption is deemed appropriate to reflect the change in the market conditions or investment-specific factors.

The Investment Manager then made recommendations to the Audit Committee of the fair values as at 31 December 2023 and the Audit Committee, having considered these, then made recommendations for approval by the Board. Refer to note 21(c) which sets out a sensitivity analysis of the significant observable inputs used in the valuations of the private equity investments.

(a.3) Loans and receivables at FVTPL
For the year ended 30 June 2023, two underlying investments that were previously classified as private equity were restructured and classified as loans and receivables at FVTPL due to defaults.

For the current period, consistent with the prior year, these underlying loans and receivables designated at FVTPL are fair valued by the Investment Manager using methodologies such as a scenario-based model using probability-weighted average of discounted cash flows and investment cost plus expected return. Refer to note 21(c) which sets out a sensitivity analysis of the significant unobservable inputs used in the valuations.

a.4) Valuation of the operating asset
At each year-end the fair value of any underlying operating asset is based on valuations by an independent specialist appraiser. These valuations are based on certain assumptions which are subject to uncertainty and might result in valuations which differ materially from the actual results of a sale. The estimated fair values provided by the independent specialist appraisers are then used by the Independent Valuer as the primary basis for estimating fair value of the Company's subsidiaries and associates that hold these properties in accordance with accounting policies set out in note 2.6.

(b) Incentive Fee

For the accounting year ended 30 June 2023, the incentive fee was calculated as follows:

- To the extent that the NAV as at any year end commencing 30 June 2019 was above the higher of an 8% compound annual return and the high water mark initially set in 2019, having accounted for any share buy backs, share issues and/or dividends, the incentive fee payable on any increase in the NAV with effect from 30 June 2019 above the higher of the high water mark and the 8% annual return target was calculated at a rate of 12.5%;
- The maximum amount of incentive fees that can be paid out in any one year was capped at 1.5% of the average month-end NAV during that year; and
- Any incentive fees earned in excess of this 1.5% cap were accrued if they were expected to be paid out in subsequent years.

With effect from 1 July 2023 the incentive fee is calculated as follows:

- To the extent that the NAV as at any year end is above the higher of an 10% compound annual return and a high water mark initially set in 2019, having accounted for any share buy backs, share issues and/or dividends, the incentive fee payable on any increase in the NAV above the higher of the high water mark and a 10% annual return target is calculated at a rate of 10%;
- The maximum amount of incentive fees that can be paid out in any one year is capped at 1.5% of the average month-end NAV during that year; and
- Any incentive fees earned in excess of this 1.5% cap are accrued if they are expected to be paid out in subsequent years

For periods up to 30 June 2023, the incentive fee payable on any increase in NAV was 12.5% and the annual return target was 8%. The cap was as described above.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

3.1 Critical accounting estimates (continued)

(b) Incentive Fee (continued)

Any incentive fees payable within 12 months are classified under accrued expenses and other payables in the Condensed Statement of Financial Position. The fair values of any additional incentive fees potentially payable beyond 12 months after the end of the reporting period are classified as deferred incentive fees in the Condensed Statement of Financial Position.

At the end of each financial period, the Board makes a judgement in considering the total amount of any accrued incentive fees which are likely to be settled beyond 12 months after the end of the reporting period. In determining the fair value of the non-current liability at a Condensed Statement of Financial Position date the Board may apply a discount to reflect the time value of money and the probability and phasing of payment. An annualised discount rate of 8% was applied to the deferred incentive fees carried forward as at the accounting years ended 30 June 2022 and 30 June 2023. Any unwinding of the discount recorded in the previous financial period is recorded in finance expense in the Condensed Statement of Comprehensive Income.
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For further details of the incentive fees earned and accrued at the period end please refer to note 16(b).

3.2 Critical judgements in applying the Company's accounting policies

(a) Eligibility to qualify as an investment entity
The Company has determined that it is an investment entity under the definition of IFRS 10 as it meets the following criteria:

i. The Company has obtained funds from investors for the purpose of providing those investors with investment management services;

ii. The Company's business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and

iii. The performance of investments made by the Company is substantially measured and evaluated on a fair value basis.

The Company has the typical characteristics of an investment entity:
- It holds more than one investment;
- It has more than one investor;
- It has investors that are not its related parties; and
- It has ownership interests in the form of equity or similar interests.

As a consequence, the Company does not consolidate its subsidiaries and accounts for them at FVTPL. The Company has applied the exemption from accounting for its subsidiaries using the equity method as permitted by IAS 28.

(b) Judgements about active and inactive markets
The Board considers that the Ho Chi Minh Stock Exchange, the Hanoi Stock Exchange and UPCoM are active markets for the purposes of IFRS 13. Consequently, the prices quoted by those markets for individual shares as at the balance sheet date can be used to estimate the fair value of the Company's underlying investments.

Notwithstanding the fact that these stock exchanges can be regarded as active markets, the size of the Company's holdings in particular stocks in relation to daily market turnover in those stocks would make it difficult to conduct an orderly transaction in a large number of shares on a single day. However, the Board considers that if the Company were to offer a block of shares for sale, the price which could be achieved in an orderly transaction is as likely to be at a premium to the quoted market price as at a discount. Consequently, when taken across the whole portfolio of the Company's underlying quoted investments, the Board considers that using the quoted prices of the shares on the various active markets is generally a reasonable determination of the fair value of the securities.

3.2 Critical judgements in applying the Company's accounting policies (continued)

(b) Judgements about active and inactive markets (continued)
In the absence of an active market for quoted or unquoted investments which may include positions that are not traded in active markets, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information, and in determining the fair value one or more valuation techniques may be utilised.

4. SEGMENT ANALYSIS

Dividend income is allocated based on the underlying investments of subsidiaries which declared dividends. Net gains/losses on financial assets at fair value through profit or loss are allocated to each segment with reference to the assets held by each respective subsidiary. General and administration expenses, finance costs/income and loan facility set-up costs are allocated based on the investment sector. Finance expenses, accrued expenses and other payables are allocated to each segment with reference to the percentage allocation on the investments holding.

The financial assets at FVTPL are measured based on the investment sector. Other assets and liabilities are classified as other net assets.

Segment information can be analysed as follows:

Condensed Statement of Comprehensive Income

	Capital Markets* USD'000	Operating Assets USD'000	Private Equity USD'000	Other Net Assets** USD'000	Total USD'000
Six months ended 31 December 2023 (Unaudited)					
Dividend income	35,837	-	252	-	**36,089**
Finance income	309	-	113	35	**457**
Net (losses)/gains on financial assets at FVTPL	(9,833)	(326)	117	(329)	**(10,371)**
General and administration expenses	(5,976)	(110)	(2,193)	(680)	**(8,959)**
Facility set-up costs	(115)	-	(42)	(13)	**(170)**
Finance expenses	(407)	-	(149)	(47)	**(603)**
Incentive fee charge	(1,135)	-	(417)	(129)	**(1,681)**
Profit/(Loss) before tax	**18,680**	**(436)**	**(2,319)**	**(1,163)**	**14,762**
Six months ended 31 December 2022 (Unaudited)					
Dividend income	27,885	-	4,458	-	**32,343**
Net losses on financial assets at FVTPL	(81,266)	(146)	(120,991)	-	**(202,403)**
General and administration expenses	(6,460)	(112)	(2,311)	(97)	**(8,980)**
Finance cost	(152)	-	(54)	(2)	**(208)**
Facility set-up costs	(464)	-	(166)	(7)	**(637)**
Finance expenses	(1,804)	-	(646)	-	**(2,450)**
Incentive fee clawback	16,298	-	5,830	-	**22,128**
Loss before tax	**(45,693)**	**(258)**	**(113,880)**	**(106)**	**(160,207)**

* Capital markets include listed securities and unlisted securities, valued at their prices on UPCoM or using quotations from brokers.
** Other net assets include cash and cash equivalents, loans and receivables at FVTPL, interest and other net assets of the subsidiaries and associates at fair value.

4. SEGMENT ANALYSIS (continued)

Condensed Statement of Financial Position

	Capital Markets* USD'000	Operating Assets USD'000	Private Equity USD'000	Other Net Assets** USD'000	Total USD'000
As at 31 December 2023 (Unaudited)					
Financial assets at FVTPL	726,285	13,335	266,513	82,725	1,088,858
Receivables and prepayments	-	-	-	444	444
Cash and cash equivalents	-	-	-	26,659	26,659
Total assets	**726,285**	**13,335**	**266,513**	**109,828**	**1,115,961**
Total liabilities					
Accrued expenses and other payables	6,153	113	2,258	700	9,224
Total liabilities	**6,153**	**113**	**2,258**	**700**	**9,224**
Net asset value	**720,132**	**13,222**	**264,255**	**109,128**	**1,106,737**

	Capital Markets* USD'000	Operating Assets USD'000	Private Equity USD'000	Other Net Assets** USD'000	Total USD'000
As at 30 June 2023 (Audited)					
Financial assets at FVTPL	791,376	13,661	254,974	77,417	**1,137,428**
Receivables	-	-	-	658	**658**
Cash and cash equivalents	-	-	-	19,133	**19,133**
Total assets	**791,376**	**13,661**	**254,974**	**97,208**	**1,157,219**
Total liabilities					
Accrued expenses and other payables	12,610	218	4,065	1,232	**18,125**
Deferred incentive fees	3,637	63	1,172	355	**5,227**
Loan and borrowings	7,042	-	2,270	688	**10,000**
Total liabilities	**23,289**	**281**	**7,507**	**2,275**	**33,352**
Net asset value	**768,087**	**13,380**	**247,467**	**94,933**	**1,123,867**

* Capital markets include listed securities and unlisted securities. The unlisted securities are comprised of securities valued at their prices on UPCoM or using quotations from brokers.
** Other net assets of USD82.7 million (30 June 2023: USD77.4 million) include cash and cash equivalents, prepayments, loans and receivables at FVTPL and other net assets of the subsidiaries and associates at fair value.

5. INTERESTS IN SUBSIDIARIES AND ASSOCIATES

There is no legal restriction to the transfer of funds from the BVI or Singapore subsidiaries to the Company. Cash held in directly-owned as well as indirectly-owned Vietnamese subsidiaries and associates is subject to restrictions imposed by co-investors and the Vietnamese government and therefore it cannot be transferred out of Vietnam unless such restrictions are satisfied. As at 31 December 2023, the restricted cash held in these Vietnamese subsidiaries and associates amounted to USD nil (30 June 2023: USD nil). The Company has not entered into a contractual obligation to, nor has it committed to provide, current financial or other support to an unconsolidated subsidiary during the period.

5. INTERESTS IN SUBSIDIARIES AND ASSOCIATES (continued)

5.1 Directly-owned subsidiaries

The Company had the following directly-owned subsidiaries as at 31 December and 30 June 2023:

Subsidiary	Country of incorporation	As at 31 December 2023 % of Company interest	As at 30 June 2023 % of Company interest	Nature of the business
Allwealth Worldwide Limited *	BVI	-	100.00	Holding company for investments
Asia Value Investment Limited	BVI	100.00	100.00	Holding company for listed and unlisted securities
Belfort Worldwide Limited	BVI	100.00	100.00	Holding company for private equity
Boardwalk South Limited	BVI	100.00	100.00	Holding company for listed securities
Clearfield Pacific Limited	BVI	100.00	100.00	Holding company for investments
Clipper Ventures Limited	BVI	100.00	100.00	Holding company for listed securities and private equity
Darasol Investments Limited	BVI	100.00	100.00	Holding company for investments
Foremost Worldwide Limited	BVI	100.00	100.00	Holding company for unlisted securities and private equity
Fraser Investment Holdings Pte. Limited	Singapore	100.00	100.00	Holding company for listed securities
Hospira Holdings Limited	BVI	100.00	100.00	Holding company for private equity
Longwoods Worldwide Limited	BVI	100.00	100.00	Holding company for listed securities
Navia Holdings Limited	BVI	100.00	100.00	Holding company for investments
Portal Global Limited	BVI	100.00	100.00	Holding company for listed securities
Preston Pacific Limited	BVI	100.00	100.00	Holding company for listed securities
Rewas Holdings Limited	BVI	100.00	100.00	Holding company for unlisted securities
Turnbull Holding Pte. Ltd.	Singapore	100.00	100.00	Holding company for investments
Vietnam Enterprise Limited	BVI	100.00	100.00	Holding company for listed and unlisted securities
Vietnam Investment Limited	BVI	100.00	100.00	Holding company for listed and unlisted securities
Vietnam Investment Property Holdings Limited	BVI	100.00	100.00	Holding company for listed and unlisted securities
Vietnam Investment Property Limited	BVI	100.00	100.00	Holding company for listed securities
Vietnam Master Holding 2 Limited	BVI	100.00	100.00	Holding company for private equity
Vietnam Ventures Limited	BVI	100.00	100.00	Holding company for listed and unlisted securities
VinaSugar Holdings Limited	BVI	100.00	100.00	Holding company for investments
VOF Investment Limited	BVI	100.00	100.00	Holding company for listed and unlisted securities, an operating asset and private equity
VOF PE Holding 5 Limited	BVI	100.00	100.00	Holding company for listed securities
Windstar Resources Limited	BVI	100.00	100.00	Holding company for listed securities

*Allwealth Worldwide Limited was restructured to be held indirectly through Clipper Ventures Limited during the period.

5. INTERESTS IN SUBSIDIARIES AND ASSOCIATES (continued)

5.2 Indirect interests in subsidiaries

The Company had the following indirect interests in subsidiaries as at 31 December and 30 June 2023:

Indirect subsidiary	Country of incorporation	Nature of the business	Immediate parent	As at 31 December 2023 % of Company's indirect interest	As at 30 June 2023 % of Company's indirect interest
Abbott Holding Pte. Limited	Singapore	Holding company for private equity	Hospira Holdings Limited	100.00	100.00
Aldrin One Pte. Ltd.	Singapore	Holding company for private equity	Halley One Limited	81.31	81.31
Aldrin Three Pte. Ltd.	Singapore	Holding company for private equity	Halley Three Limited	80.07	80.07
Aldrin Two Pte. Ltd.	Singapore	Holding company for investments	Clipper Ventures Limited	100.00	100.00
Allright Assets Limited	BVI	Holding company for private equity	Clipper Ventures Limited	100.00	100.00
Allwealth Worldwide Limited	BVI	Holding company for investments	Clipper Ventures Limited	80.02	-
Chifley Investments Pte. Ltd	Singapore	Holding company for investments	Belfort Worldwide Limited	85,91	85,91
Clipper One Limited	BVI	Holding company for investments	Clipper Ventures Limited	100.00	100.00
Goldcity Worldwide Limited	BVI	Holding company for investments	Clipper Ventures Limited	100.00	100.00
Gorton Investments Pte. Ltd	Singapore	Holding company for investments	Belfort Worldwide Limited	100.00	100.00
Halley Five Limited	BVI	Holding company for investments	Clipper Ventures Limited	80.90	80.90
Halley Four Limited	BVI	Holding company for investments	Clipper Ventures Limited	79.40	79.40
Halley One Limited	BVI	Holding company for investments	Clipper Ventures Limited	81.31	81.31
Halley Three Limited	BVI	Holding company for investments	Clipper Ventures Limited	80.07	80.07
Halley Two Limited	BVI	Holding company for investments	Clipper Ventures Limited	85.91	85.91
Liva Holdings Limited	BVI	Holding company for private equity	Halley Five Limited	80.90	80.90
Menzies Holding Pte. Ltd.	Singapore	Holding company for investments	Belfort Worldwide Limited	100.00	100.00
PA Investment Opportunity II Limited	BVI	Holding company for investments	Vietnam Enterprise Limited	100.00	100.00
Sharda Holdings Limited	BVI	Holding company for private equity	Clipper Ventures Limited	89.64	89.64
Tempel Four Limited	BVI	Holding company for private equity	Halley Four Limited	79.40	79.40
Victory Holding Investment Limited	BVI	Holding company for listed securities and private equity	Clipper Ventures Limited	87.58	87.58
Vietnam Opportunity Fund II Pte. Ltd.	Singapore	Holding company for private equity	Belfort Worldwide Limited	68.00	68.00
Whitlam Holding Pte. Ltd	Singapore	Holding company for listed securities	Navia Holdings Limited	61.26	61.26

5. INTERESTS IN SUBSIDIARIES AND ASSOCIATES (continued)

5.3 Direct interests in associates

The Company did not have any directly-owned associates as at 31 December and 30 June 2023.

5.4 Indirect interests in associates

The Company had the following indirect interests in associates as at 31 December and 30 June 2023:

Indirect associate	Country of incorporation	Nature of the business	Company's subsidiary or associate holding direct interest in the associate	As at 31 December 2023 % of Company's indirect interest	As at 30 June 2023 % of Company's indirect interest
Tam Tri Medical	Vietnam	Private equity investment	Vietnam Opportunity Fund II Pte. Ltd. and Clearfield Pacific Limited	37.80	37.80
Hung Vuong Corporation	Vietnam	Operating asset investment	VOF Investment Limited	31.04	31.04
Thu Cuc Medical & Beauty Care Joint Stock Company	BVI	Private equity investment	Aldrin One Pte. Ltd	24.39	24.39
Chicilon Media	Vietnam	Private equity investment	Chifley Investment Pte. Ltd	14.84	14.84

5. INTERESTS IN SUBSIDIARIES AND ASSOCIATES (continued)

5.5 Financial risks

As at 31 December 2023, the Company owned a number of subsidiaries and associates for the purpose of holding investments in listed and unlisted securities, an operating asset, loans and receivables at FVTPL and private equity investments. The Company, via these underlying investments, is subject to financial risks which are further disclosed in note 21. The Investment Manager makes investment decisions after performing extensive due diligence on the underlying investments, their strategies, financial structure and the overall quality of management.

6. CASH AND CASH EQUIVALENTS

	31 December 2023 USD’000	30 June 2023 USD’000
	(Unaudited)	**(Audited)**
Cash at banks	26,659	19,133

As at 31 December 2023, the cash and cash equivalents were denominated in USD and GBP.

As at 31 December 2023, the Company’s overall cash position including cash held in directly held subsidiaries was USD41.0 million (30 June 2023: USD22.8 million). Please refer to note 8 for details of the cash held by the Company's subsidiaries. As mentioned in note 5, the restricted cash held in Vietnamese subsidiaries and associates amounted to USD nil (30 June 2023: USD nil).

7. FINANCIAL INSTRUMENTS BY CATEGORY

	Financial assets at amortised cost USD’000	Financial assets at FVTPL USD’000	Financial liabilities at amortised cost USD’000	Total USD’000
As at 31 December 2023 (Unaudited)				
Financial assets at FVTPL	-	1,088,858	-	**1,088,858**
Financial liabilities	-	-	(9,224)	**(9,224)**
Cash and cash equivalents	26,659	-	-	**26,659**
Total	**26,659**	**1,088,858**	**(9,224)**	**1,106,293**
Financial assets/(liabilities) denominated in:				
- GBP	162	-	-	**162**
- USD	26,497	1,088,858	(9,224)	**1,106,131**
As at 30 June 2023 (Audited)				
Financial assets at FVTPL	-	1,137,428	-	**1,137,428**
Financial liabilities	-	-	(33,352)	**(33,352)**
Cash and cash equivalents	19,133	-	-	**19,133**
Total	**19,133**	**1,137,428**	**(33,352)**	**1,123,209**
Financial assets/(liabilities) denominated in:				
- GBP	92	-	-	**92**
- USD	19,041	1,137,428	(33,352)	**1,123,117**

As at 31 December 2023 and 30 June 2023, the carrying amounts of all financial liabilities approximate their fair values.

7. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

All financial liabilities are short term in nature and their carrying values approximate their fair values. The fair value of the deferred incentive fees does not materially differ from their carrying amount. There are no financial liabilities that must be accounted for at FVTPL (30 June 2023: nil).

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at FVTPL comprise VOF's investments in subsidiaries and associates. The underlying assets and liabilities of the subsidiaries and associates at fair value are included with those of VOF in the following table.

	31 December 2023 (Unaudited)		30 June 2023 (Audited)	
	Within 12 Months USD'000	Over 12 Months USD'000	Within 12 Months USD'000	Over 12 Months USD'000
Cash and cash equivalents	14,339	-	3,705	-
Ordinary shares – listed	649,533	-	687,039	-
Ordinary shares – unlisted *	76,752	-	104,337	-
Private equity	-	266,513	-	254,974
Loans and Receivables **	52,570	-	64,059	
Operating asset	-	13,335	-	13,661
Other net assets	15,816	-	9,653	-
	809,010	**279,848**	**868,793**	**268,635**

* Unlisted Securities include OTC traded securities and unlisted securities publicly traded on UPCoM of the Hanoi Stock Exchange.
** On a look-through basis, following the change in the structure of the underlying investments, these are now classified as loans and receivables at FVTPL.

The major underlying investments held by the direct and indirect subsidiaries and associates of VOF were in the following industry sectors.

	31 December 2023 USD'000	30 June 2023 USD'000
	(Unaudited)	(Audited)
Real Estate	255,892	268,002
Financials	243,413	211,226
Materials	140,022	169,780
Consumer Discretionary	100,120	98,927
Health Care	96,391	94,181
Information Technology	78,334	62,702
Industrial	63,102	86,081
Consumer Staples	42,299	96,062
Energy	39,130	37,109

As at 31 December 2023, an underlying holding, Asia Commercial Bank, within financial assets at FVTPL amounted to 13.6% of the NAV of VOF (30 June 2023: 12.7%).

There have been no changes in the classification of financial assets at fair value through profit or loss shown as Level 3 during the period ended 31 December 2023.

Changes in Level 3 financial assets at fair value through profit or loss
The fair values of the Company's investments in subsidiaries and associates are estimated using approaches as described in note 3.1. As observable prices are not available for these investments, the Company classifies them as Level 3 fair values.

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

	For the period 31 December 2023	For the year ended 30 June 2023
	(Unaudited)	(Audited)
Opening balance	1,137,428	1,205,940
Purchases	61,110	68,110
Return of capital	(99,309)	(88,576)
Net losses for the period/year	(10,371)	(48,046)
	1,088,858	**1,137,428**

9. DIVIDENDS

The dividends paid in the reporting period were as follows:

During the six months ended 31 December 2023 (Unaudited)	Dividend rate per share (cents)	Net dividend payable (USD'000)	Record date	Ex-dividend date	Pay date
Second dividend for the year ended 30 June 2023	7.0	11,029	3 November 2023	2 November 2023	4 December 2023

During the six months ended 31 December 2022 (Unaudited)	Dividend rate per share (cents)	Net dividend payable (USD'000)	Record date	Ex-dividend date	Pay date
Second dividend for the year ended 30 June 2022	8.0	12,941	4 November 2022	3 November 2022	5 December 2022

Under the Guernsey Law, the Company can distribute dividends from capital and revenue reserves, subject to the net asset and solvency test. The net asset and solvency test considers whether a company is able to pay its debts when they fall due, and whether the value of a company's assets is greater than its liabilities. The Board confirms that the Company passed the net asset and solvency test for each dividend paid.

10. PREPAYMENTS AND OTHER ASSETS

	31 December 2023 USD'000	30 June 2023 USD'000
	(Unaudited)	(Audited)
Deferred expenses	257	517
Prepayments	86	141
Interest on fixed deposits	101	-
	444	**658**

Due to the short-term nature of the prepayments and other assets, their carrying amount is considered to be the same as their fair value.

The Company exited Indochina Food Industries Pte. Ltd ("ICF") through the sale of 100% of VinaSugar Holding Limited in 2012 for a total consideration of USD28.45 million. As at 31 December 2023 and 30 June 2023, the buyer had paid USD19.75 million with USD8.7 million remaining outstanding. In June 2014, the Company approved a loan of USD2.9 million to ICF to provide immediate relief for the business. Together with the existing receivable of USD8.7 million, the total USD11.6 million is receivable but has been fully provided for.

10. PREPAYMENTS AND OTHER ASSETS (continued)

On 18 March 2022, the Company entered into a USD40 million revolving credit facility (the "Facility") with Standard Chartered Bank (Singapore) Limited. Costs totalling USD1.26 million were incurred in relation to the Facility, which have been capitalised as a prepayment and were amortised over the period of the Facility. The outstanding amount of USD0.9 million (30 June 2022: USD0.36 million) was expensed to the Statement of Comprehensive Income upon expiry of the Facility on 18 March 2023.

On 18 March 2023, the Company renewed the Facility by a further year through exercise of an extension option in the original agreement. Costs totalling USD0.7 million were incurred in relation to this new arrangement, which have been capitalised as a prepayment and are being amortised over the period of the new Facility. In these financial statements, an amount of USD0.1 million (31 December 2022: USD0.6 million) has been expensed to the Condensed Statement of Comprehensive Income and a deferred expense of USD0.3 million (30 June 2023; USD0.5 million) is recorded on the Condensed Statement of Financial Position as at 31 December 2023.

11. SHARE CAPITAL

The Company may issue an unlimited number of shares, including shares of no par value or shares with a par value. Shares may be issued as (a) shares in such currencies as the Directors may determine; and/or (b) such other classes of shares in such currencies as the Directors may determine in accordance with the Articles and the Guernsey Law and the price per Share at which shares of each class shall first be offered to subscribers shall be fixed by the Board. The minimum price which may be paid for a share is USD0.01. The Directors will act in the best interest of the Company and the shareholders when authorising the issue of any shares and shares will only be issued at a price of at least the prevailing Net Asset Value at the time of issue, so that the NAV per share is not diluted.

Issued capital

	Six months ended 31 December 2023		Year ended 30 June 2023	
	Number of shares	USD'000	Number of shares	USD'000
Issued and fully paid at 1 July	166,230,562	267,087	179,662,704	491,301
Cancellation of treasury shares	(3,752,599)	-	(13,432,142)	-
Issued and fully paid at period/year end	**162,477,963**	**267,087**	166,230,562	**491,301**
Shares held in treasury	(6,182,716)	(20,863)	(6,182,716)	(224,214)
Outstanding shares at period/year end	**156,295,247**	**246,224**	160,047,846	**267,087**

Treasury shares

	Six months ended 31 December 2023 Number of shares	Year ended 30 June 2023 Number of shares
Opening balance at 1 July	6,182,716	16,182,716
Shares repurchased during the period/year	3,752,599	3,432,142
Shares cancelled during the period/year	(3,752,599)	(13,432,142)
Closing balance at period/year end	**6,182,716**	**6,182,716**

In October 2011, the Board first sought and obtained shareholder approval to implement a share buyback programme. The share buyback programme was approved again at subsequent general meetings of the Company.

During the period ended 31 December 2023, 3.7 million shares (31 December 2022: 2.0 million) were repurchased at a cost of USD20.8 million (31 December 2022: USD10.3 million) and subsequently cancelled. There was USD 0.2 million (31 December 2022: USD nil) payable at the period end in relation to these shares.

12. ACCRUED EXPENSES AND OTHER PAYABLES

	31 December 2023 USD'000	30 June 2023 USD'000
	(Unaudited)	(Audited)
Incentive fees payable to the Investment Manager (note 16(b))	7,512	15,803
Management fees payable to the Investment Manager (note 20(a))	1,194	1,233
Expenses recharged payable to the Investment Manager (note 20(a))	-	73
Revolving credit facility costs payable (note 10)	-	91
Shares repurchase payable (note 11)	198	272
Other payables	320	653
	9,224	**18,125**

All accrued expenses and other payables are short-term in nature. Therefore, their carrying values are considered to be a reasonable approximation of their fair values. Further details of the payables to other related parties are disclosed in note 20.

13. LOANS AND OTHER BORROWINGS

	31 December 2023 USD'000	30 June 2023 USD'000
	(Unaudited)	(Audited)
Net loan liability at beginning of the period	10,000	-
Revolving credit facility total of all drawdowns	-	60,000
Revolving credit facility total of all repayments	(10,000)	(50,000)
Net loan liability due	**-**	**10,000**

As noted above, on 18 March 2022, the Company entered into a USD40.0 million revolving credit facility ("the Facility") with Standard Chartered Bank (Singapore) Limited. In the year to 30 June 2023, the maximum amount drawn down at any one time was USD40m. The USD40m had been repaid in full when the facility was renewed on 18 March 2023. Interest charged on the Facility is the aggregate of margin plus the compounded reference rate. On 18 March 2023, the Company exercised an option extending the Facility to 18 March 2024. USD 10.0 million outstanding on the facility as at 30 June 2023 was repaid during the period. In March 2024, the Company agreed to extend the Facility for a third year and it will now run until March 2025.

Security has been provided by way of a charge over the Group's assets under the Facility.

In accordance with the Facility Agreement the Group has various non-financial and financial covenants that are required to be met. The two financial covenants are detailed below. Throughout the period, these financial covenants have been met.

Covenants	Requirement
Loan to Value Ratio	Must not exceed 10%
Asset Cover Ratio	Must not be less than 3.25:1

14. DIVIDEND INCOME

	Six months ended 31 December 2023 USD'000 (Unaudited)	Six months ended 31 December 2022 USD'000 (Unaudited)
Dividend income	36,089	32,343

The above table sets out dividends received by the Company from its subsidiaries. These represent distributions of income received as well as the proceeds of disposals of assets by subsidiaries, and do not reflect the dividends earned by the underlying investee companies. During the period, the subsidiaries received a total amount of USD3.8 million in dividends from their investee companies (31 December 2022: USD4.5 million).

15. NET LOSSES ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Six months ended 31 December 2023 USD'000 (Unaudited)	Six months ended 31 December 2022 USD'000 (Unaudited)
Financial assets at FVTPL:		
Unrealised losses, net	(10,371)	(202,403)

16(a). GENERAL AND ADMINISTRATION EXPENSES

	Six months ended 31 December 2023 USD'000 (Unaudited)	Six months ended 31 December 2022 USD'000 (Unaudited)
Management fees and expenses (note 20(a))	6,993	7,258
Custodian, secretarial and other professional fees	686	504
Audit fees	443	304
Directors' fees, including expenses (note 20(c))	237	276
Others	600	638
	8,959	**8,980**

16(b). INCENTIVE FEE

Following the exceptional performance in the 2020/21 accounting year, a liability of USD21.6million was carried forward in the Company's accounts as at 30 June 2023. Of this amount, USD15.8 million was paid out following the publication of the annual report for the year to 30 June 2023 and a balance of USD5.8 million was carried forward as an accrual for potential payment of incentive fees in future years. As at 30 June 2023 this was discounted to USD5.2 million to reflect the time value of money and the probability of payment but is now accounted at its full value as it is potentially payable within 12 months. In addition, the NAV total return for the six months to 31 December 2023 has resulted in a further incentive fee accrual of USD1.7 million. Incentive fees are only paid out following the publication of annual accounts and, at the half year stage, any incentive fees are provided for on the assumption that the NAV as at the following 30 June will be the same as at 31 December. On this assumption, USD7.5 million will be payable when the annual report is published in October 2024 and is classified as a current liability as at 31 December 2023. As at 31 December 2023 there were no incentive fees accrued but payable after October 2024.

17. INCOME TAX EXPENSE

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

The majority of the subsidiaries are domiciled in the BVI and so have a tax exempt status whilst the remaining subsidiaries are established in Vietnam and Singapore and are subject to corporate income tax in those countries. The income tax payable by these subsidiaries is taken into account in determining their fair values in the Condensed Statement of Financial Position.

18. EARNINGS PER SHARE AND NET ASSET VALUE PER SHARE

(a) Basic
Basic earnings per share is calculated by dividing the loss or profit from operations of the Company by the weighted average number of ordinary shares in issue during the period excluding ordinary shares purchased by the Company and held as treasury shares (note 11).

	Six months ended 31 December 2023 USD'000	Six months ended 31 December 2022 USD'000
	(Unaudited)	**(Unaudited)**
Profit/(loss) for the period (USD'000)	14,762	(160,207)
Weighted average number of ordinary shares in issue	157,549,421	162,425,623
Basic earnings per share (USD per share)	**0.09**	**(0.99)**

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

(c) NAV per share
NAV per share is calculated by dividing the NAV of the Company by the number of outstanding ordinary shares in issue as at the reporting date excluding ordinary shares purchased by the Company and held as treasury shares (note 11). NAV is determined as total assets less total liabilities. The basic NAV per share is equal to the diluted NAV per share.

	31 December 2023	30 June 2023
	(Unaudited)	**(Audited)**
Net asset value (USD'000)	1,106,737	1,123,867
Number of outstanding ordinary shares in issue	156,295,247	160,047,846
Net asset value per share (USD per share)	**7.08**	**7.02**

19. SEASONALITY

The Board believes that the impact of seasonality on the Condensed Interim Financial Statements is not material.

20. RELATED PARTIES

The Investment Manager was appointed by the Board of Directors under an Investment Management Agreement, which sets out the basis for the calculation and payment of the management fee. The Investment Management Agreement may be terminated by either party giving six months' notice. In certain circumstances the Company may be required to pay compensation to the Investment Manager of an amount up to six months' fees in lieu of notice. The management fees and incentive fees described below were payable for the half year to 31 December 2023 and will continue in effect until 30 June 2024.

20. RELATED PARTIES (continued)

(a) Management fees

For the accounting year ended 30 June 2023, the Investment Manager received a fee at the annual rates set out below, paid monthly in arrear.

- 1.50% of net assets, levied on the first USD500 million of net assets;
- 1.25% of net assets, levied on net assets between USD500 million and USD1,000 million;
- 1.00% of net assets, levied on net assets between USD1,000 million and USD1,500 million;
- 0.75% of net assets, levied on net assets between USD1,500 million and USD2,000 million; and
- 0.50% of net assets, levied on net assets above USD2,000 million.

With effect from 1 July 2023, the Investment Manager receives a fee at an annual rate at the rates set out below, payable monthly in arrear.

- 1.30% of net assets, levied on the first USD1,000 million of net assets;
- 1.00% of net assets, levied on net assets between USD1,000 million and USD1,500 million;
- 0.75% of net assets, levied on net assets between USD1,500 million and USD2,000 million; and
- 0.50% of net assets, levied on net assets above USD2,000 million.

Total management fees earned by the Investment Manager for the period amounted to USD7.0 million (31 December 2022: USD7.3 million). In total USD1.2 million (30 June 2023: USD1.3 million) was payable to the Investment Manager at the reporting date.

(b) Incentive fees

As described in note 16(b), USD15.8 million of accrued incentive fees were paid to the Investment Manager in November 2023. USD7.5 million is accrued for potential payment when the annual report for the year to 30 June 2024 is published and is classified as a current liability as at 31 December 2023.

25% of any incentive fee paid to the Investment Manager is used by the Investment Manager to purchase shares in the Company in the open market. In practice such purchases are generally made alongside, and at the same price as, share buybacks made by the Company.

(c) Directors' Remuneration

During the period, the Remuneration Committee engaged an independent consultant, Stephenson Executive Search Limited, to review the directors' work load and remuneration. Taking account of the consultant's recommendations, the Board agreed the following levels of directors' remuneration with effect from 1 October 2023:-

Director	Description	Total annual remuneration with effect from 1 October 2023
Huw Evans	$115,000 as Chair	$115,000
Julian Healy	$80,000 directors' fee $10,000 as Chair of the Audit Committee $10,000 for work on valuations	$100,000
Kathryn Matthews	$80,000 directors' fee $5,000 as Chair of the Management Engagement Committee	$85,000
Peter Hames	$80,000 directors' fee $5,000 as Chair of the Remuneration Committee $10,000 for work on listed investments	$95,000
Hai Trinh	$80,000 directors' fee $5,000 for additional work carried out in Vietnam	$85,000

20. RELATED PARTIES (continued)

(d) Directors' Remuneration (continued)

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

	Annual fee	Six months ended 31 December 2023	Six months ended 31 December 2022
	USD	USD	USD
		Unaudited	Unaudited
Huw Evans	115,000	55,000	52,500
Julian Healy	100,000	47,500	45,000
Thuy Bich Dam*	-	-	42,500
Kathryn Matthews	85,000	42,500	42,500
Peter Hames	95,000	45,000	40,000
Hai Thanh Trinh	85,000	41,250	40,219
		231,250	**262,719**

**Retired on 18 April 2023*

There were no directors' fees outstanding at the period end (30 June 2023: USD nil). During the period, directors' expenses totalling USD4,622 were paid (31 December 2022: USD13,098). The total amount received by the Directors during the period was USD235,872 (31 December 2022: USD275,817), of which USDnil was outstanding at 31 December 2023 (31 December 2022: USDnil).

(d) Shares held by related parties

	Shares held as at 31 December 2023	Shares held as at 30 June 2023
Huw Evans	45,000	35,000
Julian Healy	20,000	15,000
Kathryn Matthews	9,464	9,464
Peter Hames	8,000	8,000
Hai Thanh Trinh	-	-
Andy Ho	-	248,084

As at 31 December 2023, Stephen Westwood, a retained Consultant of the Company, owned 6,000 shares (30 June 2023: 6,000) in the Company.

As at 31 December 2023, the Investment Manager owned 4,009,897 shares (30 June 2023: 3,303,397 shares) in the Company.

(e) Controlling party
In the opinion of the Directors on the basis of shareholdings advised to them, the Company has no immediate nor ultimate controlling party.

21. FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Condensed Interim Financial Statements do not include all financial risk management information and disclosures required in the Annual Audited Financial Statements; they should be read in conjunction with the Company's Audited Financial Statements as at 30 June 2023.

There have been no significant changes in the management of risk or in any risk management policies since the last balance sheet date.

(b) Capital Management

The Company's capital management objectives are:

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

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

Capital as at the period end is summarised as follows:

	31 December 2023 USD'000	30 June 2023 USD'000
	(Unaudited)	(Audited)
Net assets attributable to equity shareholders	1,106,737	1,123,867

(c) Fair value estimation

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

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

There are no financial liabilities of the Company which were carried at FVTPL as at 31 December 2023 and 30 June 2023.

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

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

	Level 3 USD'000	Total USD'000
As at 31 December 2023		
Financial assets at FVTPL	1,088,858	**1,088,858**
As at 30 June 2023		
Financial assets at FVTPL	1,137,428	**1,137,428**

21. FINANCIAL RISK MANAGEMENT (continued)

c) *Fair value estimation (continued)*

The Company classifies its investments in subsidiaries and associates as Level 3 because they are not publicly traded, even when the underlying assets may be readily realisable. There were no transfers between the levels during the period/year ended 31 December 2023 and 30 June 2023.

If the investments which are held by the subsidiaries were instead held at the Company level, they would be presented as follows:

	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
As at 31 December 2023 (Unaudited)				
Cash and cash equivalents	14,339	-	-	**14,339**
Ordinary shares – listed	649,533	-	-	**649,533**
– unlisted *	71,094	5,658	-	**76,752**
Private equity	-	-	266,513	**266,513**
Loans and receivables at FVTPL	-	-	52,570	**52,570**
Operating asset	-	-	13,335	**13,335**
Other liabilities, net of assets	-	-	15,816	**15,816**
	734,966	**5,658**	**348,234**	**1,088,858**

	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
As at 30 June 2023 (Audited)				
Cash and cash equivalents	3,705	-	-	**3,705**
Ordinary shares – listed	687,039	-	-	**687,039**
– unlisted *	98,099	6,238	-	**104,337**
Private equity investments	-	-	254,974	**254,974**
Loans and receivables at FVTPL	-	-	64,059	**64,059**
Operating asset	-	-	13,661	**13,661**
Other net assets	-	-	9,653	**9,653**
	788,843	**6,238**	**342,347**	**1,137,428**

* Unlisted securities are valued at their prices on UPCoM or using quotations from brokers.

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include actively traded equities on Ho Chi Minh City Stock Exchange, Hanoi Stock Exchange or UPCoM at the Condensed Statement of Financial Position date.

Financial instruments which trade in markets that are not considered to be active but are valued based on market prices and dealer quotations are classified within Level 2. These include investments in OTC equities. As Level 2 investments include positions that are not traded in active markets, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

21. FINANCIAL RISK MANAGEMENT (continued)

(c) Fair value estimation (continued)
Private equities, the operating asset, loans and receivables at FVTPL and other assets that do not have an active market are classified within Level 3. The Company uses valuation techniques to estimate the fair value of these assets based on significant unobservable inputs as described in note 3.1. There were no movements into or out of the Level 3 category during the period.

The Company considers the appropriateness of the valuation model inputs, as well as the valuation results using various valuation methods and techniques which are generally recognised as standard within the industry. The change in the significant unobservable inputs shown in the table below shows the impact which a reasonable potential shift in the input variables would have on the valuation result.

Set out below is the sensitivity analysis which shows the changes in the Company's net asset value, on a look through basis, based on the significant unobservable input assumptions used in the valuation of Level 3 investments as at 31 December 2023, keeping all other assumptions constant. The changes in discount rates by +/- 1% is considered appropriate for the market in which the Company is operating.

21. FINANCIAL RISK MANAGEMENT (continued)

(c) Fair value estimation (continued)

Segment	Valuation Technique	Valuation (USD'000)	Discount rate	Cap rate	Terminal growth rate	Multiples
Operating assets	Discounted cash flows	13,335	15%	n/a	13.5%	n/a
Private equity	Discounted cash flows	211,281	13%-23%	n/a	5%	n/a
Private equity	Multiples	9,807	n/a	n/a	n/a	7.86
Loans at FVTPL	Scenario based	35,817	21%	n/a	n/a	n/a

Sensitivities in discount rates and cap rates/terminal growth rate (USD'000)

Operating assets:

		Change in discount rate		
		-1%	0%	1%
Change in terminal growth	-1%	14,080	13,486	12,936
	0%	13,915	13,335	12,797
	1%	13,762	13,194	12,669

Private equity (Discounted cash flows):

		-1%	0%	1%
Change in cap rate	-1%	215,435	202,261	190,509
	0%	228,022	211,281	1,173,819
	1%	241,398	222,434	207,298

Private equity (Multiples):

	-1%	0%	1%
Change in EBITDA margin	9,750	9,807	9,964

Loans at FVTPL:

-1%	0%	1%
36,252	35,817	35,392

* The above sensitivity analysis includes those underlying Level 3 private equity investments that have been valued using the valuation methodologies noted above. The difference between the balance of USD319.1 million recorded as Level 3 private equity investments and loans and receivables at FVTPL earlier in note 21 and the three above balances of USD256.9 million relates to five underlying investments, whose fair value measurement and inputs are not subject to the same sensitivities.

21. FINANCIAL RISK MANAGEMENT (continued)

(c) Fair value estimation (continued)

Set out below is the sensitivity analysis which shows the changes in the Company's net asset value based on the significant unobservable input assumptions used in the valuation of Level 3 investments as at 30 June 2023, keeping all other assumptions constant. The changes in discount rates by +/- 1% are considered appropriate for the market in which the Company is operating.

Segment	Valuation technique	Valuation (USD'000)	Discount rate	Cap rate	Terminal growth rate	Multiples	Sensitivities in discount rates and cap rates/terminal growth rate (USD'000)				
									Change in discount rate		
Operating assets	Discounted cash flows	13,661	15%	n/a	13.5%	n/a			-1%	0%	1%
							Change in terminal growth	-1%	14,406	13,812	13,262
								0%	14,241	13,661	13,123
								1%	14,088	13,520	12,995
Private equity	Discounted cash flows	210,540	13%-23%	n/a	5%	n/a			-1%	0%	1%
							Change in terminal growth	-1%	213,655	200,433	189,488
								0%	226,630	210,540	196,563
								1%	241,417	222,074	206,725
Private equity	Multiples	11,392	n/a	n/a	n/a	8.03	Change in EBITDA margin		-1%	0%	1%
									11,270	11,392	11,483
Loans at FVTPL	Scenario based	37,212	21%	n/a	n/a	n/a			-1%	0%	1%
									37,755	37,212	36,681

* The above sensitivity analysis includes those underlying Level 3 private equity investments that have been valued using the valuation methodologies noted above. The difference between the balance of USD319.0 million recorded as Level 3 private equity investments and loans and receivables at FVTPL earlier in note 21 and the three above balances of USD259.1 million relates to four underlying investments, whose fair value measurement and inputs are not subject to the same sensitivities.

21. FINANCIAL RISK MANAGEMENT (continued)

(c) Fair value estimation (continued)
Specific valuation techniques used to value the Company's underlying investments include:

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

22. SUBSEQUENT EVENTS

This Interim Report and Condensed Interim Financial Statements were approved for issue by the Board on 25 March 2024.

A dividend of 7.0 cents per share in respect of the half year ended 31 December 2023 was declared on 25 March 2024. The dividend is payable on or around 13 May 2024 to shareholders on record on 5 April 2024.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

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GLOSSARY AND ALTERNATIVE PERFORMANCE MEASURES

Term	Definition
AGM	Annual General Meeting
AIC	The Association of Investment Companies
AIC Code	The AIC Code of Corporate Governance which was issued in February 2019
ADTV	Average daily trading value
Basis point	One hundredth of one percentage point
Board	The Board of Directors
BVI	British Virgin Islands
Company	VinaCapital Vietnam Opportunity Fund Limited
COVID	The disease caused by SARS-CoV-2, the coronavirus that emerged in December 2019
EBITDA	Earnings before interest, tax, depreciation and amortisation. A measure of the gross profit of a company.
ESG	Environmental, Social, and Governance
Facility	The revolving credit facility as disclosed in notes 10 and 13
FDI	Foreign direct investments.
Financial Statements	The Interim Condensed Financial Statements of the Company
FVTPL	Fair value through profit or loss
GBP	British Pound Sterling.
GDP	Gross Domestic Product. GDP is a monetary measure of the value of all of the finished goods and services produced in a specific time period in a country or wider region.
Guernsey Law	The Companies (Guernsey) Law, 2008 as amended
IAS	International Accounting Standard
IFRS	International Financial Reporting Standards
Independent Valuer	A qualified independent professional services firm

GLOSSARY AND ALTERNATIVE PERFORMANCE MEASURES (continued)

IPO	Initial public offering – the means by which most listed companies achieve their stock market listing.
KPI	Key performance Indicator
LSE	The London Stock Exchange
MSCI	Morgan Stanley Capital International
NAV	Net Asset Value, being the total value of the Company's assets less its liabilities (the net assets)
NAV per share	NAV divided by the number of shares in issue.
NAV per share increase	Expressed in percentage terms, is a measure of the NAV per share of the Company, calculated by taking the change in the NAV per share over the period in question and dividing by the starting NAV per share. The NAV per share increase is calculated as follows: *31 December 2023: Closing NAV per share* — *7.08* — *a* *30 June 2023: Opening NAV per share* — *7.02* — *b* *Change in real terms* — *0.06* — *c=b-a* *Change as a percentage* — *0.9%* — *=c/b*
NAV Total Return	Expressed in percentage terms, is a measure of the investment return earned by the Company, calculated by taking the change in the NAV over the period in question and dividing by the starting NAV. This assumes that any dividends paid in the period are reinvested at the prevailing NAV per share on the ex-dividend date and that the dividend would grow at the same rate of return as the NAV per share after re-investment. The NAV Total Return is calculated as follows: ***Total return over period:*** *31 December 2023: Closing NAV per share* — *7.08* — *a* *Dividends paid* — *0.07* — *b* *Effect of dividend reinvestment** — *0.00* — *c* *30 June 2023 Opening NAV per share* — *7.02* — *d* *NAV Total Return (%)* — *1.9%* — *=((a+b+c)/d)-1* *Total return over the calendar year:* *31 December 2023: Closing NAV per share* — *7.08* — *a* *Dividends paid* — *0.13* — *b* *Effect of dividend reinvestment* — *0.01* — *c* *31 December 2022 Opening NAV per share* — *6.17* — *d* *NAV Total Return (%)* — *17.0%* — *=((a+b+c)/d)-1* *Total return over 3 years:* *31 December 2023: Closing NAV per share* — *7.08* — *a* *Dividends paid* — *0.43* — *b* *Effect of dividend reinvestment** — *0.01* — *c* *31 December 2020 Opening NAV per share* — *6.30* — *d* *NAV Total Return (%)* — *19.4%* — *=((a+b+c)/d)-1*

GLOSSARY AND ALTERNATIVE PERFORMANCE MEASURES (continued)

NAV Total Return	*Total return over 5 years:* *31 December 2023: Closing NAV per share* 7.08 *a* *Dividends paid* 0.67 *b* *Effect of dividend reinvestment** 0.11 *c* *31 December 2018 Opening NAV per share* 5.13 *d* *NAV Total Return (%)* 53.2% =((a+b+c)/d)-1
NovaGroup	NovaGroup Joint Stock Company
OTC	Over-The-Counter
PCTM	Performance Conditional Tender Mechanism
PEG	Price/Earnings to Growth Ratio
PEPT	Public Investments with Private Terms
PER	Price-to-earnings ratio
PMI	Purchasing Managers' Index
POI Law	The Protection of Investors (Bailiwick of Guernsey) Law, 2020
Private Equity	This consists of investments in private companies, structured investments and bonds with privately negotiated terms.
SBV	State Bank of Vietnam
Share Price Total Return	Expressed in percentage terms, is a measure of the return earned by a shareholder, calculated by taking the change in the share price over the period in question and dividing by the starting share price. This assumes that any dividends paid in the period are reinvested at the prevailing share price on the ex-dividend date and that the dividend would grow at the same rate of return as the share price after re-investment. The share price Total Return over the period is calculated as follows: *31 December 2023: closing share price* 4.56 *a* *Dividends paid* 0.07 *b* *Effect of dividend reinvestment* 0.00 *c* *30 June 2023 opening share price* 4.29 *d* *Share price total return (%)* 7.9% =((a+b+c)/d)-1
SME	Small and Medium-sized Enterprises
SOE	State Owned Enterprise
UK Companies Act	Companies Act 2006
UPCoM	UPCoM listing of the Hanoi Stock Exchange

GLOSSARY AND ALTERNATIVE PERFORMANCE MEASURES (continued)

USD	United States Dollar.
VinaCapital	VinaCapital Investment Management Ltd
VND / VN Dong	Vietnamese Dong
VN Index	The Ho Chi Minh Stock Exchange Index, a capitalisation-weighted index of all companies listed on the Ho Chi Minh Stock Exchange.
VOF	VinaCapital Vietnam Opportunity Fund Limited