

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

Annual Report and Financial Statements for the year ended 30 June 2022

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

CONTENTS

Company Structure and Life	2
Investment Policy	2
Historical Financial Information	3
Financial Highlights	4
Chairman's Statement	5
Investment Manager's Report	8
VinaCapital Management Team	25
Board of Directors	27
Disclosure of Directorships in Other Public Companies Listed on Recognised Stock Exchanges	29
Corporate Governance Statement	30
Report of the Board of Directors	49
Statement of Directors' Responsibilities	51
Report of the Audit Committee	53
Directors' Remuneration Report	57
Independent Auditor's Report to the Members of VinaCapital Vietnam Opportunity Fund Limited	60
Statement of Financial Position	67
Statement of Changes in Equity	68
Statement of Comprehensive Income	69
Statement of Cash Flows	70
Notes to the Financial Statements	71
Management and Administration	100
Glossary and Alternative Performance Measures	102

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

COMPANY STRUCTURE AND LIFE

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, as amended (the “Guernsey Law”). Prior to March 2016 the Company was a limited liability company incorporated in the Cayman Islands.

The Company is quoted on the Main Market of the LSE with a Premium Listing (ticker: 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 every fifth year, by way of voting on a special resolution proposing that the Company ceases to continue. The next such resolution will be put to the Company’s annual general meeting in December 2023. For further information, please refer to the section headed “Life of the Company”.

INVESTMENT 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” or “VinaCapital”). Any investment or divestment 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 substantially over time according to market conditions and any or all of the assets of the Company may be pledged as security for such borrowings. Borrowings 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 VND or USD, either in Vietnam or outside Vietnam.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

HISTORICAL FINANCIAL INFORMATION

Years ended 30 June	2018	2019	2020	2021	2022
Statement of Comprehensive Income (USD'000)					
Total income/(loss) from ordinary activities [^]	195,365	(9,334)	(35,204)	633,220	(100,831)
Total expenses from ordinary activities	(42,625)	(18,763)	(15,254)	(92,436)	(20,612)
Operating profit/(loss) before income tax	152,740	(28,097)	(50,458)	540,784	(121,443)
Income tax expense	-	-	-	-	-
Profit/(Loss) for the year	152,740	(28,097)	(50,458)	540,784	(121,443)
Profit/(Loss) attributable to ordinary equity holders	152,740	(28,097)	(50,458)	540,784	(121,443)
Statement of Financial Position (USD'000)					
Total assets [^]	1,082,329	974,633	877,968	1,429,421	1,222,513
Total liabilities	(38,897)	(19,384)	(1,863)	(69,648)	(42,413)
Net assets	1,043,432	955,249	876,105	1,359,773	1,180,100
Share information					
Basic earnings/(loss) per share (cents per share) [^]	77	(15)	(28)	315	(73)
Basic earnings/(loss) per share (pence per share) [^]	57	(12)	(22)	228	(60)
Share price at 30 June (USD)	4.30	4.34	4.07	6.64	5.79
Share price at 30 June (GBP)*	3.26	3.41	3.29	4.82	4.76
Ordinary share capital (thousand shares)	194,058	184,809	176,128	168,418	163,480
Market capitalisation at 30 June (USD'000)	834,449	802,069	716,843	1,119,089	946,576
Market capitalisation at 30 June (GBP'000)*	632,629	630,197	579,462	810,934	777,347
Net asset value per ordinary share (USD)[^]	5.38	5.17	4.97	8.07	7.22
Net asset value per ordinary share (GBP)*[^]	4.07	4.06	4.01	5.85	5.93
Ratio					
Ongoing charges excluding incentive income/(fee) [‡]	1.8%	1.7%	1.7%	1.6%	1.5%
Incentive (income)/fee [†]	2.1%	(0.3%)	(0.3%)	6.1%	(0.6%)
Ongoing charges plus incentive fee [‡]	3.9%	1.4%	1.4%	7.7%	0.9%

[^] The figures for 2019 above include adjustments to the share prices of some investments at 30 June 2019 in order to adjust for pricing anomalies identified by the Board. Please refer to the Annual Report and Financial Statements for the year ended 30 June 2019 for a complete explanation.

* Following the change of domicile to Guernsey in 2016, the Company's shares have been quoted in Pounds Sterling ("GBP"). USD NAV per share is translated to GBP using the rate of exchange at 30 June each year.

[‡] Calculated as general and administration expenses divided by average NAV for the year. Ongoing charges have been prepared in accordance with the Association of Investment Companies ("AIC") recommended methodology.

[†] Calculated as total incentive fee divided by average NAV for the year. The calculation can be found in the glossary.

[‡] Calculated as the sum of general and administration expenses and total incentive fee divided by average NAV for the year. The calculation can be found in the glossary.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

FINANCIAL HIGHLIGHTS

In the year to 30 June 2022, the Company's NAV per share decreased in US Dollar terms by 10.5% to USD7.22, while the Company's share price decreased by 12.8% to USD5.79, from the same date a year previously. Taking account of dividends paid in the year to 30 June 2022, the NAV Total Return was -8.8%*.

As at/years ended 30 June	2020	2021	2022
NAV Total Return* (%)	(1.5)	65.6	(8.8)
Share price (USD)	4.07	6.64	5.79
Increase/(decrease) in share price (%)	(6.2)	63.1	(12.8)
Discount to NAV per share** (%)	(18.1)	(17.7)	(19.8)
Dividend per share (US cents)	11.0	11.5	16.0

* 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. A numerical reconciliation of the NAV Total Return can be found in the glossary. This footnote applies to all disclosures of NAV Total Return throughout this Annual Report and Financial Statements.

** Calculated as NAV per share less share price divided by NAV per share. The calculation can be found in the glossary.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

CHAIRMAN'S STATEMENT

Dear Shareholder,

Investment Performance

Over the course of the year under review, the Company's Net Asset Value per share declined by 85.0 cents, or by 8.8% on a total return basis¹, taking account of the 16.0 cents per share dividends paid during the year. This result was driven by a sell-off in the Vietnamese market, which occurred mostly in the second quarter of 2022; prior to that at the end of February we recorded our highest-ever month-end NAV per share. For our UK-based investors, market movements were mitigated by the strength of the dollar and, in sterling terms, the share price total return over the year was a positive 1.1%.

As our Investment Manager notes, domestic Vietnamese investors have increased their investments in listed Vietnamese companies but, nevertheless, any stock exchange which is exposed to international investors is not immune from global market sentiment. In the year under review, that sentiment was driven by concerns over inflation driven initially by the effects of the COVID-19 pandemic and then by the supply shocks resulting from the Russian conflict with Ukraine. Against this difficult background, the Vietnamese economy continued to perform relatively well, and the fall in the market does not reflect the performance of the economy or, in many cases, of Vietnamese companies.

While it is disappointing to report any negative return for the year, our investment objective is to achieve medium to long-term returns and looking at the longer term the Investment Manager has performed well and, for example, the NAV total return¹ in US dollar terms over three years and five years was a commendable 48.4% and 70.4%, respectively.

Dividends

On 25 October 2021, the Board declared a dividend of 8.0 US cents per share, which was paid to shareholders in early December 2021. This represented an increase of 33% over the dividend of 6.0 US cents per share which had been paid in May 2021. Although the NAV showed a modest increase over the first six months of the financial year, against a background of global uncertainties, the Board decided not to increase the dividend at the half year and declared a maintained dividend of 8.0 cents per share in March 2022 which was paid in May 2022.

The NAV did, indeed, decline over the second half of the financial year but on 24 October 2022, the Board declared a maintained dividend of 8.0 cents per share, representing a little more than 1% of the NAV per share as at the financial year-end. The Board recognises the importance of dividends to many shareholders and a dividend at this level is in line with our policy of paying two dividends per year, each at a rate of approximately 1% of NAV per share. The Board will next consider the dividend at the time it approves the interim accounts in March 2023, bearing in mind the NAV per share at that time.

Gearing

In March 2022, the Company entered into a USD40 million one year secured revolving credit facility with Standard Chartered Bank. Agreeing this facility represented an important milestone in the development of VOF as a company and having it available provides an additional source of short-term liquidity for the Investment Manager, particularly 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

The Board continues to focus on the balance of demand for, and supply of, the Company's shares, and we remain active in both promoting the Company and also in buying back shares when we believe that this is in the best interests of shareholders.

¹ An Alternative Performance Measure: see Glossary for further details

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

CHAIRMAN'S STATEMENT (continued)

Marketing and the Discount (continued)

Our Investment Manager has continued to promote the Company via a number of channels, assisted by our brokers, Numis Securities Limited, and distribution partner, Frostrow Capital LLP and as restrictions on international travel eased in the first half of 2022, members of the VinaCapital team were able to travel to the UK, Europe, and the US for meetings with existing and potential shareholders.

The Company has recently announced the appointment of Barclays Bank Plc to provide investor engagement services to compliment those of Numis and Frostrow which should help further develop the Company's shareholder base.

We make a variety of information available 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 encourage you to sign up to be notified of new publications at <https://vof.vinacapital.com> if you have not already done so.

Over the year to 30 June 2022, 4.9 million shares were bought back, which was 2.9% of shares in issue at the start of the period. The discounts at which these shares were bought resulted in an increase in the NAV of some 4.2 US cents per share to the benefit of continuing shareholders and, the Directors believe, is helping to control the volatility of the discount.

Over the past few weeks, the discount has come under greater pressure, as have the discounts of most London-listed investment companies which invest in developing markets. Against a broader background of rising energy costs and inflation in developed economies, investors in emerging markets have been further concerned by geo-political events including the US sanctions on China, China's zero-COVID-19 policy and the Russian conflict with Ukraine. The Vietnamese economy is less affected by these events than some others but, nevertheless, demand for shares has been affected by a general flight to what are perceived by international investors to be safer havens. We will continue to promote the long-term potential of investment in Vietnam and the benefits of the Company's unique approach to investing and will continue to use the buyback where we feel it is in the best interests of the Company.

The Board

Steve Bates retired as a Non-Executive Director and Chairman of the Company at the Annual General Meeting on 2 December 2021, at which time I took over as Chairman and Julian Healy took my previous role as chair of the Board's Audit Committee. I would like to repeat the Board's thanks to Steve for his exemplary leadership, commitment and diligence over the nine years for which he was a director.

In anticipation of the retirement from the Board of Thuy Bich Dam, who was appointed as a Director in March 2014, a number of potential Vietnamese directors were interviewed when members of the Board were finally able to travel to Vietnam in March 2022. Following this process, Mr Hai Thanh Trinh was identified as the preferred candidate and was appointed as a non-executive Director and a member of the Board's committees with effect from 30 June 2022. Mr Trinh has over 30 years' business experience, having held various managerial and senior executive positions at financial services institutions in Vietnam and in the United States including An Binh Bank, Indochina Capital, New York Life and Bao Viet. He had recently retired as an Independent Director of Saigon Hanoi Commercial Bank. He also currently serves as Independent Director and Chairman of the Audit Committee for Van Phu Invest, a real estate developer in Vietnam which is listed on the Ho Chi Minh City Stock Exchange. Mr Trinh holds an MBA in Finance & Investment from the George Washington University and a bachelor's in commerce and economics from the National Economics University (Hanoi).

The Board is now formed of six directors, four men and two women, with two of the Directors being of Vietnamese nationality.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

CHAIRMAN'S STATEMENT (continued)

Investment Management Fees

Last year we reported very high investment returns, which resulted in the Company accruing a substantial incentive fee. The amount of incentive fees available to be paid out each year is capped at 1.5% of the average month-end assets for the year in question. We therefore paid out an amount limited by the cap last year and in the accounts for the year to 30 June 2021 carried forward an amount of USD58.3 million (discounted for the time value of money to USD48.8 million) for potential deferred payment for the 2022 and subsequent accounting years.

As described above, over the year under review, the NAV reduced. As a result, no further incentive fees were accrued and the amount accrued last year for potential payment was reduced by USD15.2 million via a clawback, which was written back into the NAV. This has resulted in a carried forward accrual of USD43.1 million. The incentive fee cap again took effect this year and USD20.3 million of deferred incentive fees will be paid out on publication of this annual report, leaving a balance of USD22.8 million (discounted for the time value of money to USD20.4 million) for potential payment in future years. Note that the amount to be paid out this year does not affect the Company's current ongoing charges ratio; indeed, the reduction in the accrual through the clawback mechanism had the effect of reducing the Company's reported running costs for the year under review.

Annual General Meeting

This year's AGM is due to take place at 11:00 on Monday, 5 December 2022 at the Company's registered office, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3PP.

Shareholder engagement remains very important to the Directors. Whether or not you intend to come to the AGM, shareholders are asked to participate in the AGM by appointing a proxy to vote on the resolutions set out in the notice of AGM as soon as possible.

Outlook

The outlook for the global economy remains uncertain. Russia's conflict with Ukraine and other geo-political issues, coupled with the continuing effects of the COVID-19 pandemic have led to levels of inflation in parts of the developed world not seen in over a generation. This has led to central banks and governments being faced with the dilemma of attempting to defuse a potential inflationary spiral by raising interest rates while seeking to minimise the risk of a prolonged recession. In the short term, volatility in equity markets driven by investor sentiment is perhaps inevitable.

Against this background, the Investment Manager's report sets out in some detail the factors behind the continuing resilient performance of the Vietnamese economy and the reasons why this is expected to continue for the foreseeable future. Your Board believes that VinaCapital's approach to investment with its emphasis on growing investors' capital with strong risk mitigation will continue to deliver attractive returns over the long term.

On behalf of the Board I thank you for your continued support.

Huw Evans

Chairman

24 October 2022

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

INVESTMENT MANAGER'S REPORT

Macroeconomic Highlights

While we are aware of the risks posed by the challenges facing the global economy, we remain of the view that Vietnam's economy can grow at a stable rate of 6% to 7% over the next five years

While Vietnam was one of the few economies in the region to deliver positive GDP growth in both 2020 and 2021, this growth was restrained by the COVID-19 pandemic. In the first half of 2022, Vietnam showed clear signs that growth is now returning to levels seen prior to the pandemic. Most economists project Vietnam's GDP growth in 2022 to be one of the strongest in the region, with the World Bank recently raising their GDP growth forecast for Vietnam to 7.5% this year. The surge in GDP growth as VOF's financial year progressed culminated with 7.7% annualised GDP growth in the 2Q22. This was driven by a dramatic rebound in domestic demand as the economy reopened and by factory workers in Vietnam returning to their jobs on the assembly line.

Compared to the alarming global inflationary pressures, Vietnam has experienced relatively tame inflation averaging 2.4% in the first half of 2022, but with a likelihood of it increasing by the end of 2022, though well below the central bank's average inflation target of 4% for 2022. Vietnam did not exacerbate the inflationary pressures spawned by sharp increases in global commodity prices with excessive fiscal stimulus, unlike many other countries around the world.

The sanctions applied to Russia as measures against the conflict in Ukraine will undoubtedly contribute to inflationary pressures, as commodity prices rise. Fortunately, Vietnam's direct trade and investment ties with Russia are very small (at less than 1% of GDP), and the country is not adversely impacted directly by the conflict. Vietnam has been fortunate to be a substantial agricultural producer and exporter and to have a reasonably small component of energy in its Consumer Price Inflation basket. The fact that Vietnam is a net exporter of food helped limit the country's food price inflation to just 2.3% y-o-y at the end of June 2022. This in-turn helped limit the increase in Vietnam's headline CPI rate, since food accounts for 36% of Vietnam's CPI basket. Furthermore, one of the largest importers of Vietnam's agricultural products is China and amidst China's zero-COVID-19 strategy, inflationary pressure from rising prices of agricultural and aquaculture products has been muted. Clearly, inflation is a risk on which Vietnam needs to keep a close eye as China re-opens its economy.

While consumers in Vietnam are certainly impacted by higher global commodity prices (we estimate that crude oil/petrol accounts for about 6% of the CPI basket), they are not suffering from additional domestic price pressures because of the relative stability of the VND. Confidence in the VND is also supported by the relatively low level of government debt.

To fight the alarming levels of inflation, the US and European governments are increasing interest rates and practicing tighter monetary policy. Given the aggressive nature of the rate hikes in the US, the USD has strengthened significantly against global currencies. Since Vietnam effectively applies a "soft peg" against the USD, the local currency has shown only a very small depreciation, while many currencies within the region have devalued significantly more, implying that the VND has in fact appreciated against these other currencies. The implication of rising interest rates, a stronger USD (and VND), and tightening liquidity around the world has had little impact on Vietnam's economy over the 12 months to 30 June 2022.

Vietnam does benefit from unique tailwinds that will continue to propel its economy forward and, if managed properly, maintain its steady rate of growth in the coming years. The continuing recovery of all industrial activities is supported by increasing FDI. One of the most important drivers of Vietnam's economic growth – which is likely to remain the country's most important in the medium term – is the FDI-funded build out of the country's industrial base. This is one critical factor that is helping fuel the rise of Vietnam's emerging middle class by offering attractive employment opportunities to the country's workforce.

Prior to the pandemic, Vietnam emerged as a key country to which multinational companies diversified their manufacturing activities away from China.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

INVESTMENT MANAGER'S REPORT (CONTINUED)

Macroeconomic Highlights (continued)

Vietnam is clearly benefiting from the nascent “friend-shoring” phenomenon, in which multinational companies are increasingly sourcing products from countries that are designated as “friendly” by the US government. US policy makers have made it clear that the US wants to have very friendly economic relations with Vietnam, and this is one reason why an increasing number of companies are diversifying and relocating some of their production facilities from China to Vietnam – although China's commitment to its “zero-COVID-19” policy has also contributed to this trend. There is clear evidence that some companies are relocating production facilities from China to Vietnam.

Furthermore, a strong recovery of the service sector after the relaxation of all COVID-19 related restrictions in Vietnam, coupled with a moderate USD15 billion fiscal package, including USD2 billion of interest rate subsidies, will support the economic recovery.

There are signs that demand for “Made in Vietnam” products is slowing as economic growth in the US slows, and therefore our optimistic GDP forecast for 2022 is not predicated on the continued strong performance of Vietnam's manufacturing sector (which accounts for just over 20% of the country's economy), but is instead supported by strong consumption growth, given that consumption accounts for about two-thirds of Vietnam's GDP. Vietnam's retail sales, which are a close proxy to domestic consumption, accelerated continuously in the first half of 2022 from just 1.7% y-o-y growth in February 2022 all the way up to 27% y-o-y growth in June 2022.

The financial year started in Vietnam with the highest levels of movement restrictions and social distancing to combat COVID-19 since the start of the pandemic. Most businesses found themselves closed for three to four months from May 2021 and it was not until September 2021 that the Government became more comfortable with allowing the economy to re-open. This was only possible thanks to the successful and aggressive roll-out of the vaccination program using vaccines from Europe, the United Kingdom, and the United States, which allowed Vietnam to embrace the idea of “living with COVID-19”.

We were fortunate to have observed the way that markets reacted, and businesses dealt with movement restrictions in developed markets such as the US and Europe in 2020 and it was apparent that Vietnam would face significant market volatility and cash flow challenges as economic activity ground to a halt. In the light of these challenges, our investment strategy in the face of the protracted health pandemic, which commenced in the spring of 2020 and lasted to the end of 2021, was to monitor yet more actively and diligently our investments and help portfolio companies preserve cash.

While there were plenty of investment opportunities that came to our attention during this period, unfortunately many of these businesses were: (1) in distress; (2) unable to provide meaningful business projections for the years to come; and (3) failed to convince us of their ability to navigate the storm. However, as Vietnam began to learn to live with COVID-19 and green shoots of economic activity started to appear in the latter part of 2021, we began to discuss terms of investment for opportunities that we had been closely monitoring during the earlier part of the year.

We continue to hold the view that market and economic volatility will remain with us for at least two to three years not only as a result of the recovery from the COVID-19 pandemic, but also from global economic sanctions imposed on Russia and from anti-inflationary policies.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

INVESTMENT MANAGER'S REPORT (CONTINUED)

Stock Market Performance

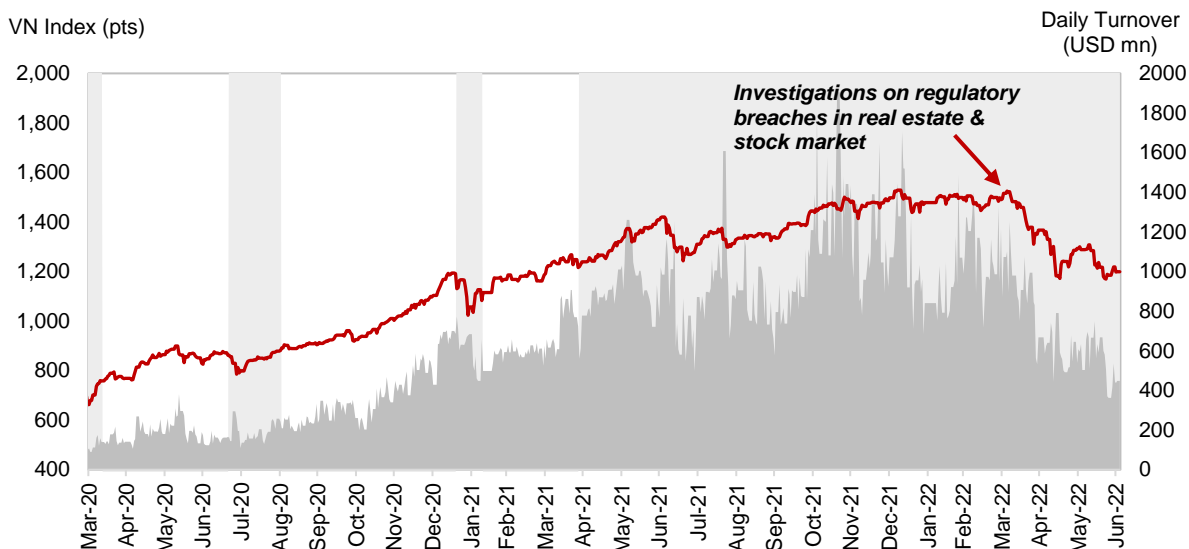


Chart: VN Index (points) and value turnover (Average Daily Trading Value, USDm) from March 2020 to June 2022.

Source: Bloomberg, VinaCapital Research.

When Vietnam faced its hardest days fighting COVID-19 through severe movement restrictions from July to September 2021, perversely the stock market did very well; although foreign investors were net sellers of the Vietnamese market, domestic investors increased their levels of participation significantly and this sufficiently overcame foreign selling pressure. From July to December 2021, over 900,000 newly opened stock trading accounts from domestic retail investors helped push the ADTV up substantially to an average of USD1.4 billion per day by the end of 2021. To put this into perspective, during the first quarter of the calendar year 2020, the ADTV was just USD165 million.

However, the global risk-off sentiment that took hold during the first two quarters of 2022 was further exacerbated in Vietnam by domestic issues. When global inflation became less “transitory” and more of a headache in the early part of 2022 and central banks around the world started to increase interest rates, the Vietnamese market did not avoid the collateral damage. Coupled with a campaign to clamp down on the illegal use of funds from bond issuances and stock manipulation by a few local companies, the Vietnamese stock market as measured by the VN Index declined significantly and more so than other regional markets.

The VN Index’s sharp 19.7% q-o-q drop in 2Q22 (in local terms) was the second sharpest pullback behind the COVID-19-affected quarter of 1Q20 (at -31.1% q-o-q).

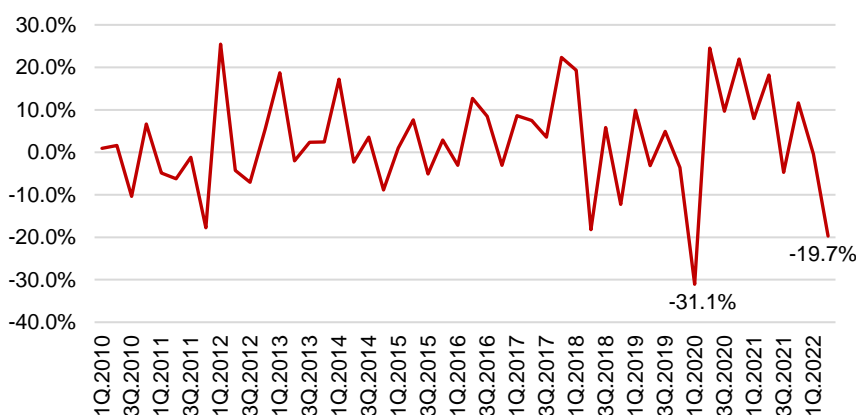


Chart: VN Index quarter-on-quarter performance (% , local terms) from January 2010 to June 2022.

Source: Bloomberg, VinaCapital Research.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

INVESTMENT MANAGER'S REPORT (CONTINUED)

Stock Market Performance (continued)

This negative sentiment is reflected in the market liquidity which was sharply lower at USD750 million per day in 2Q22, down by almost 30% quarter-on-quarter, as domestic retail investors, who had been the driving force of market liquidity (and performance) over the previous two years, chose to sit on the side-lines and were net sellers to the tune of USD280 million in the second quarter of 2022 versus USD540 million net buying in the first quarter of 2022. The sharp correction in the market also triggered margin calls that forced the selling of stocks during this period, adding to the market volatility.

During 2Q22, margin loans declined 21% after a relatively flat 1Q22. Since the end of the financial year, we have observed brokers going to market to raise additional capital in order to increase their margin book, implying that brokers' capacity and willingness to extend margin to their customers is improving. We could expect to see a sharp increase in margin loans in the latter half of 2022 given the significant contraction in 2Q22. What is important to note is that margin loans as a percentage of both market capitalisation (2.9% at 30 June 2022) and free float (7.3%) remains at conservative levels and therefore, any contribution to market volatility is limited.

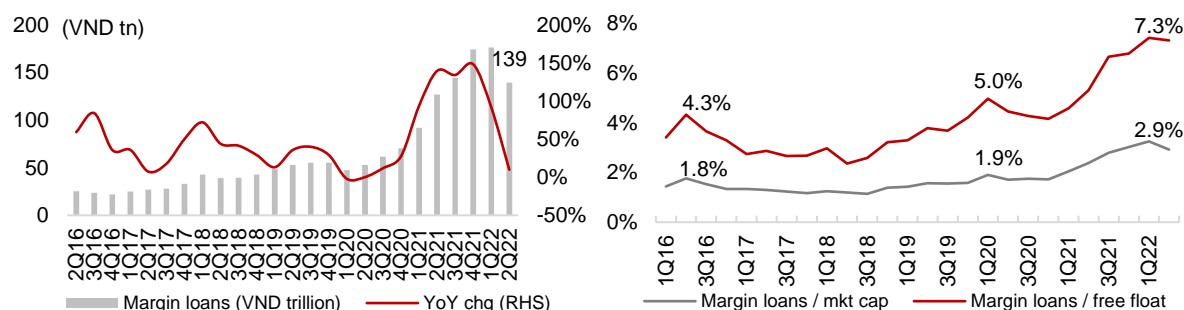


Chart: Vietnam broker margin loans (VND trillion), and year-on-year change (%).

Chart: Vietnam margin loans as a percentage of market capitalisation (%) and free float (%).

Source: Fiinpro, VinaCapital Research.

Against this background, foreign investors have been net buyers in the second quarter of 2022 for the first time since 2019, attracted by the reasonable valuations that the market now offers and have been allocating mostly to banking stocks. The return of positive local sentiment should lead to higher ADTV which would be supportive of the market.

Vietnam remains attractively valued. On prospective FY2022 earnings, PER and EV/EBITDA are well below their 5-year averages.

Valuations remain appealing

Although there are mounting economic concerns plaguing global markets, our research team believes that the macroeconomic picture for Vietnam remains remarkably strong and resilient. The second quarter 2022 GDP growth of 7.7% y-o-y is the best GDP quarterly growth rate in over a decade and may pave the way for upgrades to earnings estimates. In our view, the equity market appears to be overly cautious on the downside risk to earnings considering the country's strong growth prospects.

Based on our research team's coverage universe, we are forecasting 30.8% and 27.5% earnings growth for financial year 2022 and financial year 2023, respectively, led by the oil and gas sector, followed by industrial parks, real estate, ports and logistics and banks.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

INVESTMENT MANAGER'S REPORT (CONTINUED)

Sector Outlook

12 months to 30 June 2022	Weight (%)	Return (%)	Weighted contribution (%)
VNINDEX (USD, total return)		-14.9	
Financials	34.1	-24.4	-9.16
Real Estate	22.6	-21.1	-4.87
Consumer Staples	11.6	-1.0	0.03
Industrials	8.9	3.8	0.13
Utilities	7.7	18.6	0.83
Materials	7.6	-27.0	-2.34
Consumer Discretionary	3.0	31.6	0.70
Information Technology	2.1	22.5	0.35
Energy	1.5	-22.6	-0.35
Health Care	0.7	-6.1	-0.03
Communication Services	0.1	11.9	0.00

Table: VN Index sector weight, performance, and weighted contribution to performance (%) for FY2022 is based on GICS sector classification.

Source: Bloomberg, VinaCapital Research

The VN Index declined by 14.9% over the period of review, with the Financials, Real Estate and Materials sectors, which make up 64.3% of overall market capitalisation, the largest detractors to market performance.

- Financials, which is the largest sector in the VN Index at a 34.1% index weight, saw a decline of 24.4% during the financial year, making it the largest contributor to the market decline.
- Real Estate, which is the second largest sector in the index at 22.6%, posted a decline of 21.1% over the period and was the second largest contributor to underperformance.
- Materials, while only making up 7.6% of the index weight, is dominated by Hoa Phat Group (HOSE: HPG), and the sector declined by 27.0% during the period, with HPG alone experiencing a 42.8% decline in share price (local terms).

On the other hand, the Utilities, Consumer Discretionary, and Information Technology sectors were the best performing sectors over the period under review, but given their smaller market weights that total 12.8%, did not provide much in terms of support to the overall market performance, but nevertheless saved it from what could have been a larger decline.

However, the longer-term performance of these sectors will benefit from the economic recovery that is already underway in Vietnam and much of the recent sector underperformance has been due to localised factors that eroded investor confidence. In addition to the sell-off in global markets in recent months, the VN Index's sharp retreat began in April 2022 following the announcement of investigations over regulatory irregularities by companies in the real estate sector and a lack of oversight by key officials in the stock market that was further exacerbated by the unwinding of margin positions. None of VOF's portfolio investments have been caught up in any of these regulatory investigations. Nevertheless, all this together soured domestic investor sentiment and reduced trading liquidity. Still, by June 2022, many of these domestic issues seemed to have settled and there is confidence in the market that there will be fewer "surprises" from these investigations.

The country's long-term growth drivers have remained intact in spite of COVID-19, so we also continue to focus on companies in sectors that are beneficiaries of FDI inflows, infrastructure development, and consumer spending themes, particularly those that play into this recovery theme such as aviation and logistics.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

INVESTMENT MANAGER'S REPORT (CONTINUED)

Sector Outlook (continued)

We feel strongly that the aviation sector will recover rapidly, as domestic and international travellers take to the air. Over the first six months of 2022, the CAAV, in collaboration with data from Airbus and the IATA, reported that Vietnam's domestic aviation market had the fastest recovery rate in the world, with growth of 123% compared to the same period in 2019 (pre-pandemic). The total number of passengers travelling through airports reached 40.7 million, up 55.8% from the same period in 2021, in which domestic passengers reached 38.9 million (+52.6% year-on-year), international passengers reached 1.8 million (+904.6% y-o-y), and the CAAV forecasts that airports across the country would welcome 87.8 million passengers, an increase of 190% compared to 2021.

Naturally, companies in the aviation sector are able to capitalise not only on travel recovering, but also on the growing demand for logistics and in the delivery space as well as the resale of aircrafts purchased with bulk discounts.

The consumer sector has demonstrated strong growth over the last 15 to 20 years and continues to offer strong potential in the years to come. Vietnamese consumers are getting wealthier and the consumer sector stands to gain significantly. However, as discussed in past Investment Manager's reports, this sector's business model is changing fast due to the rapid adoption of technology throughout the broader population, and the shifting of much of the value proposition to consumers. Our objective is to identify where the weaknesses and opportunities lie and invest appropriately, mindful of the long-term impacts of digitalisation, competition, and evolving consumer behaviours.

Banks, a key component of the financial sector and a key contributor to broad economic growth in Vietnam touching all economic sectors, stand to gain in a rising interest rate environment and as the economy recovers. However, non-performing loans from 2020 and 2021 that were allowed to be restructured in accordance with the State Bank of Vietnam's directives will have to be resolved in the years to come. Further contributing to this systemic risk is the possibility of a recession in the US and Europe leading to weakened cash flow for export driven businesses. Given that the real estate sector remains the largest sector allocation in our portfolio, we will continue to monitor the real estate development business as cash flow and loan servicing may weaken as interest rates rise.

ESG and Voting Principles

We discuss further in this report, our approach to ESG matters, in terms of due diligence, review and monitoring activities. Furthermore, we highlight below examples of ESG initiatives we have implemented across several of our investments.

In previous Investment Manager reports, we have included a discussion of our Responsible Investment approach and principles. This year, we have migrated this section to the Corporate Governance Statement of the Annual Report where a more complete picture of both the Board and Investment Manager's commitments to ESG are discussed. Instead, we discuss here some recent activities that we have conducted with several of our portfolio companies, as well as a discussion on our Voting Policy.

It is helpful to reiterate VinaCapital's commitment to adopting and implementing the United Nations-supported PRI, which VinaCapital believes is in the best long-term interests of its investors and portfolio companies, and which contributes to a more long-term oriented, transparent, sustainable, and well-governed investment market. That said, we take a pragmatic approach to adopting ESG in our investment activities, while realising the limitations of investing in developing markets. We therefore focus less on screening companies solely on ESG issues, and more on stewardship activities where we believe a patient timeframe and active engagement can improve outcomes. This is further reflected in our approach to voting and ensuring that we actively participate in voting across our portfolio companies.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

INVESTMENT MANAGER'S REPORT (CONTINUED)

ESG and Voting Principles (continued)

For publicly listed companies, VinaCapital has implemented a rigorous framework to assess ESG risks and encourage companies to improve their practices when warranted. Our portfolio managers, and in-house ESG and research teams regularly engage with management on ESG policies and practices. The discussions around ESG revolve around our proprietary framework of over 200 questions, that cover 17 areas of focus, that touches on management and corporate structure; business ethics; energy, water, pollution, waste management, and Greenhouse Gas emissions; biodiversity; employee related issues such as wages, health, employment conditions; and community impacts.

Currently our research team has made over 80 assessments of publicly listed companies, including the majority of those held in the VOF public equity portfolio. We highlight below an example of our active engagement with Hoa Phat Group, one of the top portfolio holdings.

Hoa Phat Group ("HPG") – Active ESG Engagement with Management

Hoa Phat Group (HOSE: HPG) is the leading industrial manufacturing group in Vietnam with a 33% market share in domestic construction steel in 2021 and employs over 20,000 employees. Originating as a construction machine and equipment trading company in August 1992, HPG has gradually expanded its business to trading and production of steel (80-90% of its profit) and other industrial production like furniture, refrigeration, real estate, and agriculture. HPG was listed on HOSE in late 2007 during which time VOF invested as part of a private equity opportunity. Today, HPG remains a top five holding in the portfolio, and the long-term story for HPG remains intact, with no domestic or foreign steel producer able to match HPG's formidable competitive advantages or outsized market share.

As part of our ongoing assessment of HPG against our ESG framework, during HPG's 2022 Annual General Meeting, we raised to the attention of the Chairman and Board of Directors the growing importance of ESG matters for global, institutional investors. We conveyed to management that given HPG's plans to grow and supply global markets, better management of ESG issues would be increasingly important.

Furthermore, we formally wrote to HPG, emphasising the importance of ESG and proposed some recommendations for the company to consider, including:

- Establish an ESG policy covering all business activities across the group.
- Appoint a senior ESG manager at the group level to oversee the implementation of ESG-related policies and practices, and to communicate them to investors.
- Undertake an ESG audit to assess the status of ESG matters in their organisation, identify key ESG risks, and create a plan to manage those risks.
- Better communicate their ESG initiatives and plans to investors.

We will continue to monitor HPG's efforts in improving their ESG profile and remain engaged in helping them gradually improve.

Ngoc Nghia Industry Service Trading ("NNG") – ESG Engagement within Private Equity

Turning to our private equity portfolio, this is where we believe we can exert the most influence and measurable impact in making ESG improvements to our portfolio companies. Specifically, ESG forms a core part of the due diligence and investment activities that VOF carries out when investing. Through our private equity approach to investing, we have an opportunity to carry out ESG due diligence by engaging external consultants, and now we can rely on our in-house ESG expertise with the recent appointment of an ESG Manager who reports to our Group COO. ESG considerations also form part of the key risks that VinaCapital's Risk Management Committee evaluates our investment opportunities against.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

INVESTMENT MANAGER'S REPORT (CONTINUED)

Ngoc Nghia Industry Service Trading ("NNG") – ESG Engagement within Private Equity (continued)

An example of this active engagement in ESG that we held in our private equity portfolio was Ngoc Nghia Industry Services Trading (UPCoM: NNG). In late 2019, just prior to the onslaught of the pandemic, we invested a significant minority stake in a leading plastic packaging production firm in Vietnam. The firm has the largest plastic packaging production capacity in Vietnam, with an annual output of 3.7 billion preforms, bottles and closures at three production sites. Based in Ho Chi Minh City, the company's core business is manufacturing PET packaging, a recyclable, lightweight, resealable, and shatter-resistant plastic used by many manufacturers of food and beverage as well as home and personal care products. Founded in 1993, the firm has been supplying its products to a range of leading international and domestic clients like Unilever, Coca-Cola, Suntory PepsiCo and Vinamilk.

Since our investment, we have helped to put in place improvements to the company's corporate governance, to restructure its capital structure, and to enhance their process of capital expenditure and working capital management. As a result, NNG's net debt reduced significantly by around 30% compared to when we made the investment. We also helped bring in professional managers to support the company and helped reduce

the family holdings in the company over the course of the investment, ultimately leading to an exit of both VOF and the founding family in early 2022 through a public tender offer to one of Thailand's leading chemical producers, Indorama Ventures. As part of our investment, we were granted two board seats, in addition to a seat with the company's board of supervisors.

In terms of environmental impacts, the company had already implemented a long-standing and effective programme of recycling and using recycled materials in their production. Aside from ensuring that we had a good programme of monitoring and maintaining manufacturing equipment, we were able to help bring improvements in their energy consumption and increase the amount of renewable energy used by the business.

We are encouraged that over the two- and half-year period of investment, NNG has made several improvements, including implementing new and more energy efficient machinery and equipment, as well as welcoming improvements in corporate governance, which have all proved to be invaluable to the new owners of NNG.

Voting Activities

As stewards of our investors' capital, we systematically engage with our investee companies on ESG matters. Our engagement takes various forms including voting, direct discussions with management, and educational initiatives, among others.

As part of VinaCapital's Voting Policy that applies to the funds that VinaCapital manages, a core principle is that we seek to actively participate and vote, directly or through voting, on all resolutions. We will generally exercise the voting rights for resolutions associated to the following matters:

- Corporate governance issues, including changes in the statutes of incorporation (such as amendments to the memorandum and/or articles of association), takeover, merger or disposal, acquisition and other corporate restructuring, and anti-takeover provisions;
- Changes to capital structure, including increases and decreases of capital and preferred stock issuances, approval of rights, bonus issue and warrants, and special dividend distributions (dividends in specie);
- Amendments to stock option schemes and other management compensation issues;
- Environmental, Social and Corporate responsibility issues; and
- Any other issue that may significantly affect the Fund's interests.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

INVESTMENT MANAGER'S REPORT (CONTINUED)

Voting Activities (continued)

During the year, all 31 investments held in the VOF portfolio held their AGM. This included public and private companies, where we voted on all resolutions raised by companies held in our private equity portfolio. Of the 212 resolutions that we voted on, we abstained or voted against 3 of these resolutions, while we support the remaining 209 resolutions.

The largest category of resolutions that we voted on concerned ESG. This category predominately captures resolutions that relate to the "Governance" element of ESG, including for example: the appointment and removal of board members, and members of the supervisory committee; appointment of external auditors; or amendments to the company charter and internal policies. There were very few resolutions tabled by the portfolio companies that relate to Environmental or Social matters, perhaps a reflection of the stage of maturity of this developing market in addressing these concerns.

VOF Performance

We look to deliver stable, long-term performance for our investors

Over the long term, we expect the economic performance of Vietnam to drive investment returns and our approach to managing the Company's portfolio seeks to take advantage of this economic growth. It is, however, true that world events and cash flows into or out of the market can affect share prices in the shorter term – as we have seen in the year under review.

It is disappointing to report a fall in NAV over the year under review. In the light of economic and market volatilities over the last three years, it may be more relevant to view performance over the longer term. During the last three years, on a total return basis² VOF's NAV increased by 48.4%, and over the past five years, NAV increased by 70.4%.

VOF's performance over the past financial year has been affected by weak domestic and global markets. During FY2022, VOF's NAV declined by 8.8%³ (USD total return basis, \$TR) while VOF's share price declined by 12.8% in USD terms (but increased by 1.1% in GBP terms). During the first half of FY2022, from July 1st to December 31st, 2021, VOF's NAV enjoyed an increase of 6.9% while in the second half, from January to June 2022, VOF's NAV declined by 14.6% as a combination of global and domestic factors eroded investor confidence and impacted the domestic stock market performance.

Given that VOF's investment strategy includes a significant element of private equity and privately negotiated investments, it is nevertheless worthwhile to note the volatile nature of the market as measured by the VN Index. During FY2022, the VN Index declined by 14.9% (\$TR) and the decline was primarily during the second half of the financial year, from January to June 2022, when the VN Index entered bear-market territory and declined by 21.2% (\$TR).

Total Return in USD terms (\$TR)	July to Dec 2021	Jan to June 2022	FY2022 \$TR	NAV (\$'000) 30 June 2022	3 years	5 year
VOF NAV	6.9%	-14.6%	-8.8%	US\$1,180	48.4%	70.4%
VN Index	8.0%	-21.2%	-14.9%	1,198 points	32.3%	64.8%
MSCI-EM	-9.1%	-17.5%	-25.1%	N/A	2.7%	13.2%

Table: VOF, VN Index and MSCI Emerging Markets performance, up to 30 June 2022.

Source: Bloomberg, VinaCapital.

² An Alternative Performance Measure: see Glossary for further details

³ An Alternative Performance Measure: see Glossary for further details

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

INVESTMENT MANAGER'S REPORT (CONTINUED)

Dividends

During the financial year, VOF received USD15.9 million in dividends from its portfolio companies and, in return, VOF continues to maintain its dividend policy and reward its shareholders with regular dividend pay-outs equivalent to approximately 1% of NAV every half year amounting to USD26.4 million for the financial year. VOF continues to be the only Vietnam dedicated closed-ended fund to pay a regular dividend. In addition to dividends, VOF is also engaged in a continuing share buyback programme. In FY2022, VOF bought back USD32 million worth of shares, and since the commencement of the buyback program in 2011, VOF has bought (and cancelled) a cumulative total of 161 million shares, equivalent to approximately USD440 million that has been spent on the share buyback programme since its introduction.

Investment Review

The current risks, uncertainties, and volatilities of the world has meant the terms of our investments are as important as ever. Therefore, we seek in our private equity and privately negotiated investments: (1) downside protections; (2) a clear and committed path to exit; and (3) regular ESG reviews.

These elements which we seek to embed in our terms of investment allow us to construct a portfolio that has exposure to high quality companies, on which we have performed extensive due diligence, while being able to de-risk much of the inherent volatilities that may come with investing directly into the stock market at the current time.

Over the next twelve to twenty-four months, we will continue with this cautious approach to investing, and pursue investments where we have the right to carry out due diligence not only on financial and legal aspects, but also to identify any potential ESG weaknesses. We will identify businesses that have a clearly articulated path of recovery but may need support with their balance sheets to help their path to growth.

Our cautious and disciplined approach to sourcing investments has meant that we have forgone certain opportunities which were seemingly attractive and avoided other potential problems which have arisen in this market.

VOF Portfolio Review

Top Portfolio Holdings

	Top 10 Public Equity Investments ¹	NAV USDm	%NAV	Entry method	Current listing
1	Asia Commercial Bank (ACB)	136.4	11.6%	Privately Negotiated	HOSE
2	Khang Dien House (KDH)	126.6	10.7%	Private Equity	HOSE
3	Hoa Phat Group (HPG)	109.3	9.3%	Private Equity	HOSE
4	Airports Corporation of Vietnam (ACV)	74.7	6.3%	Equitisation	UPCoM
5	FPT Corporation (FPT)	63.6	5.4%	Privately Negotiated	HOSE
6	Vinhomes (VHM)	59.0	5.0%	On market	HOSE
7	Phu Nhuan Jewelry (PNJ)	56.5	4.8%	Private Equity	HOSE
8	Quang Ngai Sugar (QNS)	45.4	3.8%	Privately Negotiated	UPCoM
9	Orient Commercial Bank (OCB)	44.7	3.8%	Private Equity	HOSE
10	Vietcombank (VCB)	27.1	2.3%	On market	HOSE
	Total of top 10	743.3	63.0%		

Table: Top 10 Public Equity Investments as of 30 June 2022. ¹ Includes Listed and Unlisted investments. Unlisted investments are those that are listed on UPCoM or trade OTC, and are not yet listed on either of the two main stock exchanges in Vietnam (HOSE and HNX).
Source: VinaCapital.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

INVESTMENT MANAGER'S REPORT (CONTINUED)

VOF Portfolio Review (continued)

Top Portfolio Holdings (continued)

	Top 10 Private Equity and Public Equity with Private Terms	NAV USDm	%NAV	Investment type
1	Project Norfolk II & III (NVL)	58.5	5.0%	Private Finance
2	An Cuong Wood Working (ACG) ¹	45.9	3.9%	Private Equity
3	Project Kuala Lumpur II (KDC)	45.8	3.9%	Private Finance
4	Dat Xanh Services (DXS)	39.2	3.3%	Pre-IPO
5	Thu Cuc International Medical	33.8	2.9%	Private Equity
6	Hung Thinh Land (HTL)	25.4	2.2%	Pre-IPO
7	Nova Consumer Group (NCG)	25.2	2.1%	Pre-IPO
8	Tam Tri Medical	22.3	1.9%	Private Equity
9	IN Holdings	20.0	1.7%	Private Equity
10	Petrolimex Aviation (PAV)	13.1	1.1%	Private Equity
	Total of top 10	329.2	28.0%	

Table: Top 10 Private Equity and Public Equity with Private Terms Investments as of 30 June 2022. (1) An Cuong Wood Working (ACG) was initially entered into as a private equity investment in 2016. Since August 2021, when ACG was listed on UPCoM, the investment has been marked-to-market in the daily NAV. In October 2022, the company's listing migrated to HOSE. The investment is still managed as a private equity investment, given that there remain certain privately negotiated terms. Nevertheless, this investment is recorded as a public equity investment in Notes 4, 8 and 20 of the Financial Statements.

Source: VinaCapital.

Reclassification of Portfolio by Asset Class

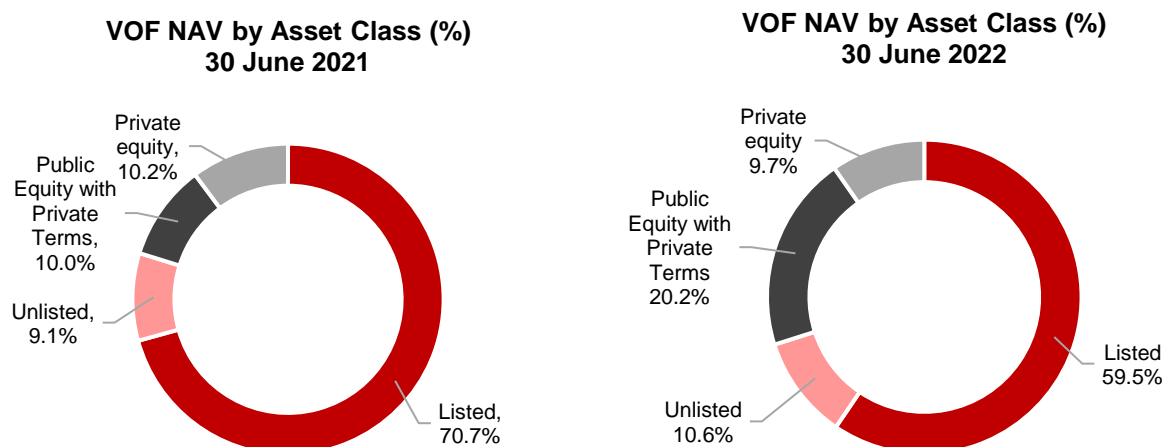


Chart: VOF Portfolio by Asset Class, excluding Cash and Others, as at 30 June 2021 and 30 June 2022.

Source: VinaCapital.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

INVESTMENT MANAGER'S REPORT (CONTINUED)

VOF Portfolio Review (continued)

Reclassification of Portfolio by Asset Class (continued)

To better reflect VOF's investment strategy and highlight the negotiated terms of investments for several of our investments in the portfolio, as of March 2022 we have reclassified the portfolio by asset class into the following "buckets" to help investors better understand the nature of our investments and terms. This is reflected in our regular monthly investor newsletter where we provide an explanation of this reclassification:

- **Listed Equities:** Investments that are held in the portfolio which do not have privately negotiated terms, or where these privately negotiated terms of investment have expired, aside from what is permitted under the relevant Securities Law.
- **Unlisted Equities:** Publicly traded securities that are listed on either the UPCoM exchange of the HNX, or are traded OTC and are generally illiquid in nature. These investments may be entered through a privately negotiated process or privatisation of a state-owned entity, but no longer have privately negotiated terms, or these privately negotiated terms of investment have expired, aside from what is permitted under the relevant Securities Law.
- **Public Equity with Private Terms:** Investments in generally unlisted instruments issued by publicly listed companies which have unique terms, such as downside protections and profit commitments, that are not available to general market participants. Where these terms have expired or are no longer relevant, these investments will be reclassified to either Listed Equities or Unlisted Equities.
- **Private Equity:** Illiquid investments in private companies with specific terms of investment including downside protections and profit commitments, as well as Operating Assets that generate an ongoing yield.

Portfolio Review by Sector and Selected Companies

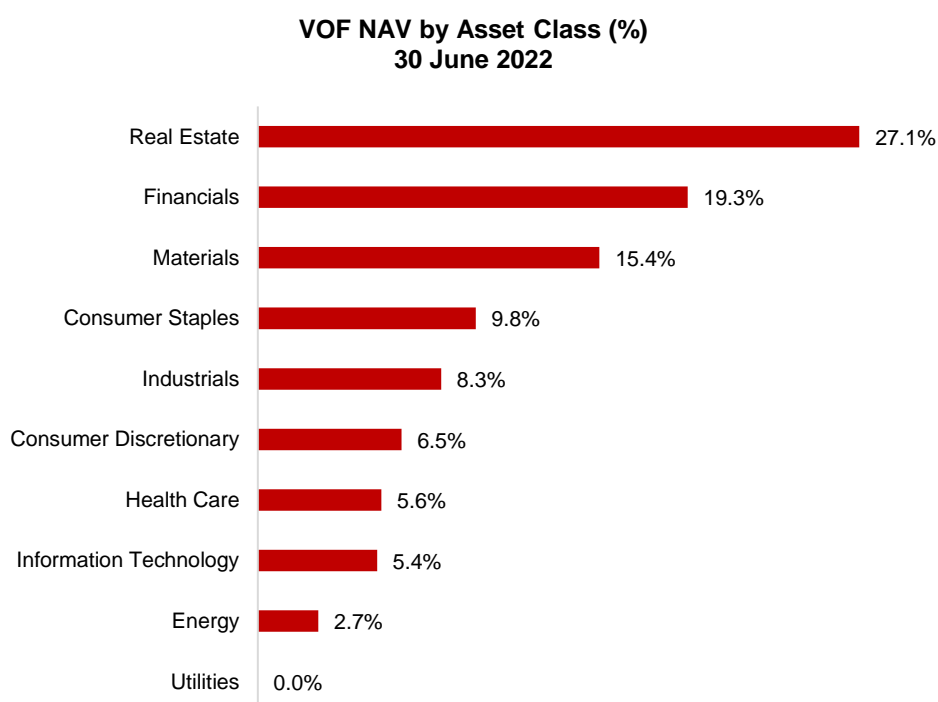


Chart: VOF Portfolio by Sector as of 30 June 2022. Excludes cash on hand and other liabilities.

Source: VinaCapital

Looking back over the last year as Vietnam learned to live with COVID-19, we found ourselves spending more time with a few businesses that were severely affected by the movement restrictions imposed during the year.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

INVESTMENT MANAGER'S REPORT (CONTINUED)

VOF Portfolio Review (continued)

Healthcare Sector – Thai Hoa International Hospital

All three of VOF's hospital platforms faced severe cash flow challenges during most of 2021 as the pandemic hit and patients were reluctant to visit hospitals out of fear that they may contract COVID-19 or other illnesses. Furthermore, local governments were encouraging all private hospitals to turn their focus to treating COVID-19 patients, thus reducing capacity to treat only severe cases of other illnesses. Patient care related to COVID-19 generated very little revenue and, in some cases, drove hospital costs up significantly because extra precautions were required such as the wearing of personal protective equipment.

Towards the end of 2021 when Vietnam started to loosen movement restrictions, two of our hospital platforms, namely Thu Cuc International Hospital and Tam Tri Medical rapidly recovered, particularly their facilities in the major cities. However, provincial hospitals continued to suffer mainly because patient income and job recovery were not as pronounced as in and around the major cities. As of 30 June 2022, we are focusing on helping some of these hospitals in provincial cities improve their operational performance, particularly the Thai Hoa International Hospital in the Dong Thap province in the Mekong Delta. Thai Hoa International Hospital is currently carried at USD9.9 million in NAV and represents 0.8% of VOF's NAV.

Construction Sector – Coteccon Construction ("CTD")

VOF has one listed construction company in its portfolio, Coteccon Construction (HOSE: CTD) recorded at USD11.7 million in NAV or 1.0% of VOF's NAV. This company faced significant hardship during 2021 and well into 2022. Over the last few years, there has been a major change at the Board and management levels. The new team has not been able to navigate effectively the challenges resulting from COVID-19. As the economy recovers, it finds itself struggling against higher material and labour costs. Given we are minority shareholders with few rights, we are unable to effect changes in management that we feel are necessary. It is encouraging to see that the majority shareholders do support the new management team and patiently await the fruits of their changes. Our lesson here is that we must continue to seek minority protections and veto rights, downside protections and/or performance commitments for all of our investments.

These two examples, representing about 1.8% of NAV, are some of the challenging cases in our portfolio. The investment team, working with our Business Enhancement Team, are helping these businesses in their recovery efforts and we hope over the next year to have some form of resolution.

Financial Services Sector – Asia Commercial Bank ("ACB")

In early March 2022, we announced an additional investment in Asia Commercial Bank (HOSE: ACB, 11.6% NAV). ACB is now the largest position in the fund and reflects our intent to increase our exposure to the financial sector, while, at the same time, gradually reducing our overweight exposure to Materials and specifically Hoa Phat Group (HOSE: HPG, 9.3% NAV).

Founded in 1993, ACB is one of Vietnam's leading private banks, with a strong focus on consumer lending to the retail and SME segments. The bank recently reported that it attracted 800,000 new active customers in Q4 2021, increasing customer deposit growth. Furthermore, the bank is embarking on an intensive expansion into digitalization, new strategic client segments, and extending its network in cities in northern Vietnam. ACB ranks among the top 10 banks in Vietnam in terms of loans and total assets. It has superior asset quality as evidenced by having the second lowest non-performing loans ratio amongst peers, and a high reserve cover.

The bank is attractively valued: it trades on a P/E ratio of 6.1x; on a forward price-to-book ratio (P/B) of 1.4x and on estimated 2022 ROE of 27.0%. This compares favourably to the banking sector that trades on a P/E of 10.1x; a forward P/B ratio of 1.8x; and on estimated 2022 ROE of 19.8%, according to Bloomberg and VinaCapital Research.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

INVESTMENT MANAGER'S REPORT (CONTINUED)

VOF Portfolio Review (continued)

Financial Services Sector – Asia Commercial Bank (“ACB”) (continued)

Furthermore, we reviewed the potential impact that higher inflation and rising interest rates will have on the banking sector and conclude that our consolidation of investments into higher quality banks such as ACB stands to benefit from their being able to increase their net interest income and earnings in a rising rate environment.

Construction Materials Sector – Hoa Phat Group (“HPG”)

Materials, specifically steel companies like Hoa Phat (HOSE: HPG, 9.3% NAV), did well during 2021. HPG enjoyed a record profit after tax of USD1.5 billion in 2021, making it one of the first non-banks ever to do so. However, into 2022, its share price declined and measured over the financial year, had declined by 42.8% due to: (1) weak demand and general market decline; and (2) HPG is operating at near-full capacity. The Materials sector overall has been one of the worst performing sectors between January to June 2022, impacted by reduced selling prices and higher input costs. However, we feel that China and Vietnam will start to spend heavily on infrastructure to stimulate their economies and the average sales price for steel will climb and margins will improve. Further, as HPG is currently investing in phase 3 of its expansion strategy, new capacity and a renewed opportunity for growth will commence towards the end of 2024.

During the first half of the financial year, primarily during the July to December 2021 period, and prior to the sharp correction in the share price during the second half of the financial year, we continued to trim down our position in HPG to return approximately USD68 million in proceeds to the Company which we earmarked for investments into new opportunities such as ACB mentioned above. Nevertheless, HPG remains a top 5 holding in the portfolio, and the long-term story for HPG remains intact, with no domestic or foreign steel producer able to match HPG's formidable competitive advantages or outsized market share.

Industrial (Aviation) Sector – Airports Corporation of Vietnam (“ACV”)

As mentioned earlier, by 2Q22, domestic passenger volumes surpassed pre-pandemic levels. As such, the recovery in the aviation sector so far in 2022 has seen Airports Corporation of Vietnam (UPCoM: ACV), one of our top 5 holdings (6.3% NAV) post a turnaround and significant improvement in performance. The share price has outperformed the VN Index over the 1H22, posting a decline of -9.2% versus -21.2% for the VN Index. 2H22 should see an increase in international passenger volumes, particularly with the reopening prospect of China, South Korea, Taiwan, and Hong Kong. International passenger volumes are important for ACV as domestic passenger fees are much lower than international passenger fees. A further catalyst for ACV is the expansion and completion of Terminal 3 in Tan Son Nhat International Airport in Ho Chi Minh City as it will help expand capacity at the country's busiest airport. In addition, with borrowings in JPY, a further weakening of the JPY could contribute to unrealized FX gains for ACV. Our Research team expects ACV to deliver net profit growth for 2022E of USD235 million (+564% y-o-y) and 2023E of USD350 million (+48% y-o-y), returning to pre-COVID-19 levels.

Real Estate Sector – Hung Thinh Land (“HTL”)

The largest sector allocation in the portfolio is Real Estate at 27.1% of NAV. We have written extensively in recent months to our investors of the difficulties that the sector had to face in the light of the government's efforts to clamp down on stock market manipulation within the small-cap real estate companies and the scrutiny concerning the use of proceeds from the raising of corporate bonds. This has had an impact on the sector's performance over 2H22, with the sector declining 23.5% during the January to June 2022 period.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

INVESTMENT MANAGER'S REPORT (CONTINUED)

VOF Portfolio Review (continued)

Real Estate Sector – Hung Thinh Land (“HTL”) (continued)

Nevertheless, we are long term investors and fundamentally believe that the sector still offers attractive investment opportunities and can deliver strong returns over the long term. As such, we continue to seek opportunities and in May 2022 the fund completed its investment in Hung Thinh Land Joint Stock Company (Pre-IPO: HTL, 2.2% NAV), one of the largest privately held property developers in Vietnam. VOF invested USD25 million to obtain an undisclosed minority stake in the property developer. Established in 2002, HTL has 20 years' experience in the Real Estate sector, and the team at HTL has benefited from many years of experience from Hung Thinh Group Corporation developing multiple real estate projects across Vietnam. Today, HTL is developing 49 residential and hospitality real estate projects with a large land bank of approximately 2,000 hectares in various prime locations, including Ho Chi Minh City and other major provinces such as Dong Nai, Binh Duong, Vung Tau, Khanh Hoa, and Binh Dinh.

HTL has a clear plan for IPO and listing its shares on the HOSE in 2023. Post-listing, HTL is expected to become the third largest real estate developer on HOSE, following Vinhomes (HOSE: VHM) and Novaland (HOSE: NVL), and could be added into the VN30 index basket. This investment supports our strategy of having a diversified portfolio in public and private equities in the medium to long term, by seeking opportunities that are not readily available to the market.

Real Estate Sector – Khang Dien House (“KDH”)

Khang Dien House (HOSE: KDH, NAV 10.7%) remains one of the top holdings in the portfolio. KDH is one of the leading landed property developers in Vietnam, focusing on townhouses and villas. Since 2017, the company has also expanded into mid-range condominium developments. The company's market cap is USD1.1 billion and it possesses an undervalued land bank that is one of the largest in HCMC. It has a long pipeline of developments, with their current land bank in excess of 600 hectares in HCMC representing at least 10 years of development. Among listed peers, only Vingroup and Novaland have larger land banks in Ho Chi Minh City.

KDH's 2Q22 profit surged 25% y-o-y to USD14.5 million. Our Research team maintains their presales forecast for 2022 of USD227 million from the launch of two projects in 2H22 (one condominium project, and one landed property project). KDH benefits from strong urbanisation trends and favourable demographics amongst its buyers, coupled with a low future supply of products. Its projects are the least speculative among peers due to the high demand for condominiums and landed property within HCMC and the company's fast payment schedule that they can demand is less attractive to speculative buyers.

Materials Sector – An Cuong Woodworking (“ACG”)

Another key portfolio company that is a major beneficiary of the recovery in the Real Estate sector is An Cuong Woodworking (UPCoM: ACG, NAV 3.9%). The company recently announced strong revenue and profit guidance for the year, with revenues of USD184 million (+29% y-o-y), and NPAT of USD24 million (+22% y-o-y), while the 1H22 revenue and NPAT increased 12% and 17% y-o-y, reaching 45.1% and 50.7% of the full year targets, respectively. Profit margins remain strong despite rallying input prices thanks to their strong selling price bargaining power and productivity improvements. Furthermore, the company moved its listing to HOSE in October 2022.

Overall, ACG attributes its performance to economies of scale, expanding market share as customer demand is recovering across most segments, while softer COVID-19 disruptions on home furnishing and construction activities in both domestic and export markets are reflected in strong 1H22 sales growth. ACG plans to grow its exports revenue by 70% in the medium term, as well as improve export profit margins which are currently lower than that of the domestic business. Furthermore, ACG continues to expand its customer base and distribution network. During the past year, it has formed various partnerships to provide its products to Novaland (a leading property developer), Central Hill (an emerging condo developer of which ACG owns 30%) and NEM Furniture (a contractor/designer firm).

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

INVESTMENT MANAGER'S REPORT (CONTINUED)

VOF Portfolio Review (continued)

Consumer Discretionary – Phu Nhuan Jewelry (“PNJ”)

Turning to one of the few Consumer Discretionary holdings in the portfolio, Phu Nhuan Jewelry (HOSE: PNJ, NAV 4.8%) released robust 2Q22 results, with net sales growing 81% y-o-y to USD345 million and net profit jumping by 64% y-o-y to USD16 million. In June alone, net profit came in at USD3.5 million, up 58% y-o-y. A strong performance was seen across key product lines in 2Q22, with the retail segment being the main driver with retail sales up 90% y-o-y, gold bar sales up 74% y-o-y, and wholesale sales rising 55% y-o-y, buoyed by strong consumer sentiment after all lockdown restrictions were removed across the country. Gross profit margins remained relatively steady in 2Q22 at 18%, a slight decrease from 19% in 2Q21 due to changes in product mix, elevated promotion activities, and higher input costs.

Following our recent company visit and meetings with the Chairwoman and the CEO, we have confidence in PNJ's outlook for 2022 post-COVID-19, as it continues to gain retail market share with growth underpinned by: (1) a resilient high-income and affluent customer base; (2) the company's more effective marketing activities as reflected by the improved retail gross profit margins despite aggressive promotions; and (3) PNJ's enhanced digitalisation capabilities which look to improve operational efficiency, lower SG&A to retail sales ratio (down 1.7% to 16.3%), and better retail growth compared to wholesale growth which suggests that PNJ has gained further market share. Thirteen new gold stores opened in 1H22, of which five were opened in June alone. PNJ anticipates that it will continue to deliver strong growth in 2H22, from a low base in 2H21 due to the COVID-19 lockdowns last year.

Consumer Discretionary – Nova Consumer Group (“NCG”)

In March 2022 we completed a USD25 million investment into a rapidly growing consumer goods and agri-business company. Nova Consumer Group (OTC: NCG, NAV 2.1%) have been a leading Vietnamese company in the area of veterinary products and animal feed. The company expects to expand rapidly into consumer foods, milk, energy drinks and coffee products over the next few years. This is a pre-IPO opportunity and we expect that the company will list within the next 12 months on one of the main bourses. The terms of investment, typical of the investment terms discussed above, include a put option back to the company at a secured, minimum IRR, along with collateral coverage in excess of our investment amount.

Industrials Sector – Ngoc Nghia Industry Service Trading (“NNG”)

Turning to divestments from the portfolio during the financial year, in March 2022 we completed the successful exit from Ngoc Nghia Industry - Service - Trading (UPCoM: NNG), which at the time was a top five private equity investment in the portfolio. We sold to Indorama Ventures which is a Thailand-based Indian chemical major, through a PTO process.

VOF invested USD17.4 million for a significant minority stake in NNG in December 2019, just prior to the global health pandemic. Since our investment, we supported the Company in strengthening corporate governance, restructuring the capital structure, and enhancing the process of capital expenditures and working capital management. As a result, the net debt has been reduced significantly by around 30% compared to when we made the investment. This divestment will deliver VOF 1.5 times return over 2.5 years, equivalent to an IRR of 20%.

It should be highlighted that all these investments and divestments we discuss above were all entered through a privately negotiated process, generally when these businesses were private and over time, several will “cross-over” to the public equity portfolio where we remain investors. The table above of our top 10 holdings in the public equities portfolio also highlights how we entered into these investments. In general, between 70% to 80% of the investments held in the public equity portfolio were entered through privately negotiated routes, with very few via on-market transactions, demonstrating that we remain committed to our core strategy and strive to maintain this point of differentiation.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

INVESTMENT MANAGER'S REPORT (CONTINUED)

Looking Ahead

VOF provides investors unique access to Vietnam's exciting, long-term growth opportunities through a fund that is professionally managed, with an almost 20-year track record of delivering sustainable returns to investors through economic and market cycles, and since 2016, is the only Vietnam-focused closed-ended fund that pays a dividend.

Our focus remains steady and consistent. We continue to dedicate our efforts to working on private equity and private finance (structured investment) opportunities. The uniqueness of our strategy and investment approach becomes even more apparent in the light of recent scandals that affected several listed companies, in that we are able to perform extensive due diligence on the company and sponsors.

Once we invest, we help companies put in good governance and disclosure practices, and our Business Enhancement Team supports these businesses to grow with professional and experienced managers. Furthermore, we believe that having an active role in the businesses we invest in is the best way to protect against risks. Having a portfolio of both listed and unlisted investments helps our investors ride out the inherent volatility that stock markets experience.

If we look back at the past 12 months, it is clear that there is a disconnect between Vietnam's Main Street and Wall Street, where we saw economic growth momentum accelerating, even as the stock market was taking a steep tumble. The macroeconomic picture for Vietnam remains solid, with growth estimates now revising upwards to 7.5%, one of the best for emerging and frontier markets. The economic worries that are plaguing global markets such as inflation, currency depreciation, and recession risk have all been less of a concern here in Vietnam and we expect them to remain relatively muted looking ahead. As such, we remain confident in the long-term opportunities that are available for active managers like ourselves to deliver stable, consistent, long-term performance for our investors.

On behalf of the team, I would like to express our sincere thanks to our investors who have remained committed to our strategy over the long-term. This is particularly appreciated during periods of volatility and uncertainty. We welcome every opportunity to meet with you, whether over the now all-too-familiar webinar calls, or in person particularly now that travel is returning to some semblance of normal.

Andy Ho

Chief Investment Officer and Managing Director
24 October 2022

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

VINACAPITAL MANAGEMENT TEAM

Don Lam

Group Chief Executive Officer

Don Lam is a founding partner of the Investment Manager and has more than 20 years' experience in Vietnam. He has overseen the Investment Manager's growth from the manager of a single USD10 million fund in 2003 into a leading investment management and real estate development firm in Southeast Asia, with a diversified portfolio of more than USD3 billion in assets under management. Before founding the Investment Manager, Mr Lam was a partner at PricewaterhouseCoopers (Vietnam), where he led the corporate finance and management consulting practices throughout the Indochina region. Additionally, Mr Lam set up the VinaCapital Foundation whose mission is to empower the children and youth of Vietnam by providing opportunities for growth through health and education projects. He is active in the World Economic Forum and is a member of several business task forces and committees in Vietnam. He has a degree in Commerce and Political Science from the University of Toronto and received an honorary doctorate from the Royal Melbourne Institute of Technology Vietnam. He is a Chartered Accountant and is a member of the Institute of Chartered Accountants of Canada. He also holds a Securities Licence in Vietnam.

Brook Taylor

Chief Executive Officer, VinaCapital Asset Management

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

Andy Ho

Managing Director and Group Chief Investment Officer

Andy Ho is Managing Director and Group Chief Investment Officer of the Investment Manager, where he oversees the capital markets, fixed income and private equity investment teams. Previously, Mr Ho was Director of Investment at Prudential Vietnam's fund management company, where he managed the capital markets portfolio and Prudential's investment strategy. He has also held management positions at Dell Ventures (the investment Company of Dell Computer Corporation) and Ernst & Young. Mr Ho is a leading authority on capital markets investment, privatisations, and private equity deals and structures in Vietnam, where he has led private placement deals totaling almost USD1 billion. He holds an MBA from the Massachusetts Institute of Technology and is a Certified Public Accountant in the United States.

Dieu Phuong Nguyen

Deputy Managing Director

Dieu Phuong joined VinaCapital in 2005 and is responsible for the Company's private equity investments and deal sourcing. Ms Phuong has led several private equity and private placement investments for the Company and holds board positions at several of the Company's investee companies including Khang Dien House (HOSE: KDH). Ms Phuong has previous experience at KPMG Vietnam where she covered international and local banks and holds a BA from the Banking University of Vietnam and is a fellow member of the ACCA (UK).

Khanh Vu

Deputy Managing Director

With over eleven years at VinaCapital, Khanh Vu is responsible for the Investment Manager's capital markets, portfolio management, investor relations and communication activities for the Company. He is also an active member of the fund's Investment Committee, involved in deal sourcing, investment execution and monitoring. Mr Vu has over 15 years of investment experience and has been based in Vietnam for the last nine years. Mr Vu has held managerial positions in corporate finance, asset management, investment banking, and professional services. Prior to VinaCapital, he was at Macquarie Bank based in New York and Sydney, with his last posting on the buy-side infrastructure asset management team. Prior to that, he held various positions with Deloitte & Touche and Arthur Andersen, based in Sydney. Mr Vu holds both master's and bachelor's degrees from the University of New South Wales, Sydney, and a Graduate Diploma of Applied Finance granted by the Financial Services Institute of Australia where he is a Fellow.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

VINACAPITAL MANAGEMENT TEAM (continued)

Michael Kokalari

Chief Economist

Michael Kokalari, CFA serves as VinaCapital's Chief Economist, and is responsible for providing thought leadership and technical acumen on a wide range of global and local macroeconomic issues with a view to maximising the firm's investment performance. Mr Kokalari has worked in Vietnam for nine years, and was previously the Head of Research at CIMB Securities Vietnam, and the CIO of Saigon Asset Management. Earlier in his career, Mr Kokalari was a derivatives trader in Tokyo & London where he ran multi-billion dollar trading books for Lehman Brothers, JP Morgan Chase, Credit Suisse First Boston, BNP Paribas and West LB. Mr Kokalari co-authored the CFA guide to Credit Derivatives, and was a contributor to "Risk Management: Foundations for a Changing Financial World" (published in 2010), along with Nobel Prize winners Myron Scholes and William Sharpe of Stanford University. Mr Kokalari holds an MS Engineering in Computational Mathematics from Stanford University, an MS Mathematics from Stanford, an MS Management from the Graduate School of Business at Stanford, and a BA Mathematics from Clark University, where he was a Gryphon and Pleiades Scholar.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

BOARD OF DIRECTORS

Huw Evans

Non-executive Chairman (Independent)

(Appointed 27 May 2016)

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

Thuy Bich Dam

Non-executive Director (Independent)

(Appointed 7 March 2014)

Ms Thuy Bich Dam began her career at Vietnam's Ministry of Science, Technology and Environment, responsible for coordinating treaties between the government and the World Intellectual Property Organisation and the European Patent Office. From 1996 to 2005, Ms Dam worked as the Natural Resources Director of ANZ Investment Bank (Singapore). Following this, Ms Dam was appointed as the CEO Vietnam, CEO Greater Mekong Region and Vice Chairwoman for the Greater Mekong Region for ANZ Bank Vietnam over a span of nearly eight years. Ms Dam was also the Chief Representative for the National Australia Bank, Vietnam from November 2013 to September 2016. She is currently the Founding President of Fulbright University Vietnam. She holds a bachelor's degree in English from Hanoi University, an MBA Finance from The Wharton School of Business and completed the Advanced Management Program at Harvard Business School.

Peter Hames

Non-executive Director (Independent)

(Appointed 24 June 2021)

Peter Hames spent 18 years of his investment career in Singapore, where in 1992 he co-founded Aberdeen Asset Management's Asian operation and, as director of Asian Equities, he oversaw regional fund management teams responsible for running a number of top-rated and award-winning funds. Peter is a former director of Polar Capital Technology Trust plc. and Syncona Ltd (formerly BACIT Ltd). Mr Hames is also director of MMIP Investment Management Limited, an independent member of the operating board of Genesis Investment Management, LLP and is a director of The Genesis Emerging Markets Investment Company.

Julian Healy

Non-executive Director (Independent)

(Appointed 23 July 2018)

Julian Healy has over thirty years' experience of banking, private equity and investment management in emerging and frontier markets. He holds an MA in Modern Languages from Cambridge University and is a member of the Institute of Chartered Accountants in England and Wales. He has been a non-executive director of a number of companies and financial institutions in emerging markets.

Kathryn Matthews

Non-executive Director (Independent)

(Appointed 10 May 2019)

Kathryn Matthews has been involved in financial services for the last 40 years. Her last executive role was as Chief Investment Officer, Asia Pacific (ex Japan), for Fidelity International. Prior to that, Kathryn held senior appointments with William M Mercer, AXA Investment Managers, Santander Global Advisers and Baring Asset Management. She has previously been on the Board of Directors of a number of investment companies including Fidelity Asian Values and JPMorgan Chinese Investment Trust. She is currently on the Board of Directors of Barclays UK Plc, Pandal Group in Australia and BII Group.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

BOARD OF DIRECTORS (continued)

Hai Thanh Trinh

Non-executive Director (Independent)

(Appointed 30 June 2022)

Hai Thanh Trinh has over 30 years' business experience, having held various managerial and senior executive positions at financial services institutions in Vietnam and in the United States including An Binh Bank, Indochina Capital, New York Life and BAOVIET. He has recently retired as an Independent Director of Saigon Hanoi Commercial Bank. He currently also serves as Independent Director and Chairman of the Audit Committee for Van Phu Invest, a real estate developer in Vietnam which is listed on the Ho Chi Minh City Stock Exchange.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED**DISCLOSURE OF DIRECTORSHIPS IN OTHER PUBLIC COMPANIES LISTED ON RECOGNISED STOCK EXCHANGES**

Directorships Company Name	Stock Exchange
Thuy Bich Dam None	-
Huw Evans Third Point Investors Limited	London
Peter Hames None	-
Julian Healy None	-
Kathryn Matthews Pendal Group Ltd	Australia
Hai Thanh Trinh (Appointed 30 June 2022) Van Phu Investment Joint Stock Company	Vietnam

The Board is required to declare any potential conflicts at each meeting. During the year no Director reported any potential conflicts that may affect their independence.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

CORPORATE GOVERNANCE STATEMENT

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

The Company is a member of the AIC and by complying with the AIC Code, the Company is deemed to comply with both the UK Code and the Guernsey Code.

The Board has considered the Principles and Provisions of the AIC Code. The AIC Code addresses the Principles and Provisions set out in the UK Code, as well as setting out additional Provisions on issues that are of specific relevance to the Company as an investment company.

The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council and the Guernsey Financial Services Commission provides relevant information to shareholders.

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

The Board is of the view that throughout the year ended 30 June 2022 the Company complied with the recommendations of the AIC Code. Key issues affecting the Company's corporate governance responsibilities, how they are addressed by the Board and application of the AIC Code are presented below.

Provision 1 of the AIC Code requires the annual report to set out the following information:

How opportunities and risks to the future success of the business have been considered and addressed	An overview of the Company's performance is set out in the Chairman's Statement, and a more detailed review is set out in the Investment Manager's Report. A detailed review of risk management is set out below.
The sustainability of the company's business model	The sustainability of the business model is set out in the Viability Statement below.
How its governance contributes to the delivery of its strategy	The approach to governance is set out in this section of the Annual Report, in particular the section 172 statement below and the description of the board structure.

There is no information that is required to be disclosed under Listing Rule 9.8.4.

Section 172 Statement

Section 172 of the UK Companies Act 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:

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

CORPORATE GOVERNANCE STATEMENT (continued)

Section 172 Statement (continued)

(a) the likely consequences of any decision in the long term,	In managing the Company, the aim of the Board and the Investment Manager is always to ensure the long-term sustainable success of the Company and, therefore, the likely long-term consequences of any decision are a key consideration. In managing the Company during the year under review, the Board acted in the way which it considered, in good faith, would be most likely to promote the Company's long-term sustainable success and to achieve its wider objectives for the benefit of shareholders as a whole, having had regard to the Company's wider stakeholders and the other matters set out in section 172 of the UK Companies Act.
(b) the interests of the company's employees,	The Company does not have any employees.
(c) the need to foster the company's business relationships with suppliers, customers and others,	The Board's approach is described under "Stakeholders" below.
(d) the impact of the company's operations on the community and the environment,	The Board's approach is described under "Environmental, Social and Corporate Governance" below.
(e) the desirability of the company maintaining a reputation for high standards of business conduct, and	The Board's approach is described under "Culture" below.
(f) the need to act fairly as between members of the company.	The Board's approach is described under "Stakeholders" below.

Purpose

The Company is an investment company and its purpose is to provide non-Vietnamese investors with the opportunity to achieve medium to long-term returns through investment in Vietnam.

Culture and Values

The Directors' overarching duty is to promote the success of the Company for the benefit of investors, with due consideration of other stakeholders' interests. The Company's approach to investment is explained in the Investment Manager's Report. The Board applies various policies and practices to ensure that the Board's culture is in line with the Company's purpose, values and strategy. The Directors aim to achieve a supportive business culture combined with constructive challenge.

The Company has a number of policies and procedures in place to assist with maintaining a culture of good governance including those relating to diversity, conflicts of interest, and dealings in the Company's shares. The Company's policy is to have zero tolerance of corruption, bribery and tax evasion either by the Company and its officers or by its suppliers.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

CORPORATE GOVERNANCE STATEMENT (continued)

Culture and Values (continued)

The Board assesses and monitors compliance with these policies regularly through Board meetings and the annual evaluation process. The Board seeks to appoint the most appropriate service providers for the Company's needs and evaluates the services on a regular basis. The Board considers the culture of the Investment Manager and other service providers through regular reporting and by receiving regular presentations as well as through ad hoc interaction.

The Board also seeks to control the Company's costs, thereby enhancing performance and returns for the Company's shareholders. The Directors consider the impact on the community and environment.

ESG

The Board takes a close interest in ESG issues. As management of the portfolio is delegated to the Investment Manager, the practical implementation of policy rests with the Investment Manager. A description of the Investment Manager's approach to ESG issues is set out below and examples of how the Investment Manager carries out their ESG due diligence are included in the Investment Manager's Report.

Investment Manager's Approach to Responsible Investing

Responsible investing has been and continues to be a core tenet of VinaCapital's investment philosophy and process. VinaCapital, as a firm, has long recognised that ESG issues can have a significant impact on value creation across the investment cycle. The Investment Manager has adopted a Responsible Investment policy to formalise its approach to incorporating environmental, social, and corporate governance considerations across its investment activities. In developing this policy, VinaCapital has considered a range of codes and standards, including the United Nations-supported PRI, the IFC's Performance Standards on Environmental and Social Sustainability, and its internal policies.

As more institutional investors invest into Vietnam and Vietnamese businesses expand, ESG related matters have taken on greater importance. In recent years, the Investment Manager has witnessed situations in which shareholder value declined significantly when businesses polluted the environment, ignored global standards, relocated families from land without paying adequate compensation, or did not adhere to international best practices with respect to corporate governance.

VinaCapital has developed a framework to identify ESG risks at potential investee companies, and helps businesses improve their practices, where appropriate, by incorporating ESG terms as part of its overall terms of investment in private opportunities. VinaCapital engages expert advisors and consultants to evaluate ESG risks as part of its due diligence activities prior to investing, as well as monitoring any applicable remediation actions post-investment.

VinaCapital has committed to adopting and implementing the PRI, which VinaCapital believes is in the best long-term interests of its investors, and which contributes to a more long-term oriented, transparent, sustainable, and well-governed investment market. While VinaCapital aims to adopt best practices of ESG in its investment activities and at its portfolio companies, VinaCapital also takes a pragmatic approach, recognising the limitations of investing in developing markets. VinaCapital therefore focuses less on screening companies solely on ESG issues, and more on stewardship activities where VinaCapital believes a patient timeframe and active engagement can improve outcomes.

VinaCapital believes ESG considerations materially impact long term value creation and has therefore integrated ESG considerations into the investment decision making process. This is typically done through a combination of screening and integration strategies, where possible. As stewards of its investors' capital, VinaCapital systematically engages with its investee companies on ESG matters. VinaCapital's engagement

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

CORPORATE GOVERNANCE STATEMENT (continued)

ESG (continued)

Investment Manager's Approach to Responsible Investing (continued)

takes various forms including voting, direct discussions with management, and educational initiatives, among others.

Specifically, ESG forms a core part of the due diligence and investment activities that VOF carries out, particularly when it comes to making private equity investments, as this is an area in which VinaCapital can exert influence within its portfolio companies. Through its private equity investment approach, VinaCapital has an opportunity to carry out ESG due diligence using external consultants, or through its in-house ESG expertise.

The due diligence review typically identifies weaknesses relative to local and international standards. Such weaknesses do not necessarily deter us from an investment but rather provide a clear roadmap for improvement. Importantly, with the recommendations for change, VinaCapital can gauge whether a sponsor is motivated to make these improvements to their business. VinaCapital feels that the most value-add to the business and in society comes from the motivation for change and the actions that a company takes to improve ESG weaknesses and, thus, VinaCapital gravitates more towards these types of opportunities and sponsors.

When it comes to publicly listed companies, VinaCapital has implemented a rigorous framework to assess ESG risks and encourage companies to improve their practices when warranted. VinaCapital's portfolio managers, and in-house ESG and research teams regularly engage with management on ESG policies and practices. The discussions around ESG revolve around VinaCapital's proprietary framework of over 200 questions, that cover 17 areas of focus, that touches on management and corporate structure; business ethics; energy, water, pollution, waste management, and Greenhouse Gas emissions; biodiversity; employee related issues such as wages, health, employment conditions; and community impacts. These questions result in a transparent and quantitative grading system for each publicly listed company.

Currently VinaCapital's research team has made over 80 assessments of publicly listed companies, including those held in the VOF public equity portfolio. VinaCapital applies this evaluation to the listed part of the VOF portfolio to determine the weighted average results of the portfolio at the current point in time. With this understanding, VinaCapital can set a benchmark as to where it will like VOF's portfolio to be in the next twelve to twenty-four months. Actions such as encouraging management teams to make impactful improvements or divesting holdings that rank poorly by ESG standards will be taken to achieve VinaCapital's objectives.

Investment Manager's Approach to Voting

As stewards of its investors' capital, VinaCapital systematically engages with its investee companies on governance and voting matters. VinaCapital's engagement takes various forms including voting, direct discussions with management, and education initiatives, among others.

As part of VinaCapital's Voting Policy that applies to all funds that VinaCapital manages, a core principle is that VinaCapital seeks to actively participate and vote, directly or through proxy voting, on all resolutions, particularly resolutions associated with the following matters:

- Corporate governance issues, including changes in the statutes of incorporation (such as amendments to the memorandum and/or articles of association), takeover, merger or disposal, acquisition and other corporate restructuring, and anti-takeover provisions;
- Changes to capital structure, including increases and decreases of capital and preferred stock issuances, approval of rights, bonus issue and warrants, and special dividend distributions (dividends in specie);
- Amendments to stock option schemes and other management compensation issues;
- Environmental, Social and Corporate responsibility issues; and
- Any other issues that may significantly affect VOF's interests.

VinaCapital has published its ESG Policy on VinaCapital's website and encourages investors to review the policies and principles that guide VinaCapital's approach to responsible investing and stewardship.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

CORPORATE GOVERNANCE STATEMENT (continued)

Stakeholders

The Company is an externally managed investment company whose activities are all outsourced. It does not have any employees. The Board has identified its key stakeholders, and how the Company engages with them, in the table below:

Stakeholder	Key Considerations	Engagement
Shareholders	<p>As an investment company, VOF's shareholders are, in effect, both its owners and its customers, obtaining investment returns from the Company. A well-informed and supportive shareholder base is crucial to the long-term sustainability of the Company. Understanding the views and priorities of shareholders is, therefore, fundamental to retaining their continued support.</p> <p>In considering shareholders, the Board's key considerations are:</p> <ul style="list-style-type: none"> - Overall investment returns; - The ability to maintain, and potentially grow, the dividend; - Controlling the discount (and potentially the premium) at which shares trade to net asset value; - Control of costs. 	<p>A detailed explanation of the Company's approach is set out under Relations With Shareholders, included later in the Corporate Governance Statement.</p> <p>The Board receives regular reports from the Investment Manager and also independent reports from the Corporate Broker and UK Marketing Partner on relations with, and any views expressed by, shareholders.</p> <p>The Board provides shareholders with the opportunity to review the future of the Company every five years.</p> <p>Further information is provided under "Relations with Shareholders" below.</p>
Investment Manager	<p>Management of the investment portfolio is delegated to the Investment Manager. Investment performance is crucial to the long-term success of the Company.</p>	<p>The Board engages in regular, open and detailed communication with the Investment Manager. It reviews in detail the overall performance of the Company and of individual investments. The relationship with and performance of the Investment Manager is monitored and reviewed by the Management Engagement Committee.</p> <p>In setting investment management fees, the Board seeks to achieve an appropriate balance between value for money and an incentive to retain a strong and capable portfolio management team along with supporting staff and infrastructure.</p>

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

CORPORATE GOVERNANCE STATEMENT (continued)

Stakeholders (continued)

Stakeholder	Key Considerations	Engagement
Administrator & Corporate Secretary and other key service providers.	<p>The Administrator and Corporate Secretary are key to the effective running of the Company.</p> <p>The Company has a number of other key service providers, each of which provides an important service to the Company and ultimately to its shareholders.</p>	<p>The Administrator and Corporate Secretary attend all Board meetings.</p> <p>The Management Engagement Committee undertakes an annual review of the key service providers, encompassing performance, level of service and cost. Each provider is an established business and each is required to have in place suitable policies to ensure that they maintain high standards of business conduct, treat customers fairly, and employ corporate governance best practice.</p> <p>All bills and expense claims from suppliers are paid in full, on time and in compliance with the relevant contracts.</p>

While portfolio investments are not stakeholders in the conventional sense, the Board acknowledges its responsibility to ensure where possible that investee companies adhere to good standards of conduct with regard to their own stakeholders. In some cases, the Investment Manager may have the capacity to affect these matters directly; in others, the scale of the Company's investment gives it the ability to influence the management of its investee holdings.

During the year, the Board undertook a number of activities and made a number of strategic decisions which fall under the Section 172 scope set out above:

- As part of his preparation for assuming the Chairmanship, Huw Evans met a number of the Company's major shareholders in order to understand their views on the Company.
- Throughout the year, the Board regularly reviewed the discount to net asset value at which the Company's shares trade and supervised the share buyback programme.
- Following the partial lifting of restrictions on travel to Vietnam, three of the non-Vietnamese Directors visited Vietnam during the year, taking the opportunity to discuss developments in VinaCapital's investment process in depth, to visit some investee companies and reaffirm their relationships with the Investment Manager.
- In October 2021, the Board elected to increase the half-yearly dividend by 33% to 8 cents per share. This increase was in recognition of the importance of dividend income to some shareholders and reflected the strong increase in NAV in the preceding accounting year.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

CORPORATE GOVERNANCE STATEMENT (continued)

Relations with Shareholders

A detailed analysis of the substantial shareholders of the Company is provided to the Directors at each Board meeting. The Chairman and representatives of the Investment Manager are available to meet shareholders to discuss strategy and to understand any issues and concerns which they may have and, if appropriate, to discuss corporate governance issues. The results of such meetings are reported at the following Board meeting.

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

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

The Company aims to provide shareholders with a full understanding of the Company's investment objective, policy and activities, its performance and the principal investment risks by means of informative Annual and Half Year reports. This is supplemented by the publication by the Investment Manager of a monthly fact sheet, both daily and weekly estimates of the NAV per share and a regular series of video presentations, all of which are available on the Company's website, <https://vof.vinacapital.com>.

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

Re-election and Tenure of Directors

As set out in the AIC Code Directors should submit themselves for annual re-election and in any event as soon as it is practical after their initial appointment to the Board. It is a further requirement that non-executive Directors be appointed for a specific period. The Board has adopted a formal policy requiring that Directors should stand down at the AGM following the ninth anniversary of their initial appointment.

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

Board Proceedings and Relationship with the Investment Manager

The Chairman encourages open debate to foster a supportive and co-operative approach for all participants.

The Board is required by the AIC Code to explain in the annual report the areas of decision making reserved for the Board and those over which the manager has discretion. Investment performance is discussed in the Chairman's Statement, and management of risk is described below. A description of the approach to ESG matters is set out above.

The Board meets regularly throughout the year and representatives of the Investment Manager are in attendance, when appropriate, at each meeting and most Committee meetings. During the year under review, global travel restrictions were eased and the Board was able to hold one meeting in person with the Investment Manager in Vietnam. Going forward, the Board plans to arrange a combination of video conferences and meetings in person, while recognising the environmental impact of international travel.

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

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

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

CORPORATE GOVERNANCE STATEMENT (continued)

Board Proceedings and Relationship with the Investment Manager (continued)

The Board has agreed a schedule of matters specifically reserved for decision by the Board. This includes establishing the investment objectives, strategy and benchmarks, the permitted types or categories of investments, the markets in which transactions may be undertaken, the level of permitted borrowings, the amount or proportion of the assets that may be invested in any category of investment or in any one investment, and the Company's treasury share and share buyback policies. Representatives of the Investment Manager attend each meeting of the Board to address questions on specific matters and to seek approval for specific transactions which the Investment Manager is required to refer to the Board.

The Investment Management Agreement between the Company and the Investment Manager sets out the limits of the Investment Manager's authority, beyond which Board approval is required. The Board has also agreed detailed investment guidelines with the Investment Manager, which are considered at each Board meeting. The Investment Manager is generally responsible for routine announcements of information but the Board is responsible for communications regarding major corporate issues.

The Board has delegated discretion to the Investment Manager to exercise voting powers in investee companies on the Company's behalf.

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

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

Board Committees

There are four Board committees in operation: the Audit Committee, Management Engagement Committee, Remuneration Committee and Nomination Committee. The chairmanship and membership of each Committee throughout the year, and the number of meetings held during the year, are shown in the table below. A summary of the duties of each of the Committees is provided below. The terms of reference of each Committees can be obtained from the Company's Administrator.

Audit Committee

The Audit Committee, which meets at least three times a year, comprises all of the Directors and is chaired by Julian Healy. The Chairman of the Company is a member of the Audit Committee but does not chair it. His membership of the Audit Committee is considered appropriate given the Chairman's extensive knowledge of the Company and its investments.

The Audit Committee is responsible for monitoring the process of production and ensuring the integrity of the Company's Financial Statements and advises the Board whether the Annual Report and Financial Statements are fair, balanced and understandable.

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

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

CORPORATE GOVERNANCE STATEMENT (continued)

Audit Committee (continued)

The Audit Committee is also responsible for recommending to the Board the valuation of investments. In seeking to determine the fair value of the Company's operating asset, private equity investments, the Committee reviews the reports of independent valuation specialists as well as reviewing the Investment Manager's valuation process and recommendations. Each individual valuation is reviewed in detail and, where an Independent Valuer has been retained, their recommendation may be accepted or modified. Refer to note 3 to the Financial Statements for further information on the valuation of investments held by the Company.

As set out under Internal Controls and Risk within the Corporate Governance Statement, the Company's risk exposure and the effectiveness of its risk management and internal control systems are reviewed by the Audit Committee and considered by the Board at each scheduled meeting. An internal audit function specific to the Company is considered unnecessary as all operations are outsourced to third parties.

A report of the Audit Committee detailing responsibilities and activities is presented after the Statement of Directors' Responsibilities.

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

Management Engagement Committee

The Management Engagement Committee comprises all of the Directors and is chaired by Kathryn Matthews. The Committee's responsibilities include reviewing the performance of the Investment Manager under the Investment Management Agreement and considering any variation to the terms of the agreement. The Management Engagement Committee also reviews the performance of the Company Secretary, Corporate Brokers, Custodian, Administrator, Registrar, other key service providers and any matters concerning their respective agreements with the Company.

Remuneration Committee

The Remuneration Committee comprises all of the Directors and is chaired by Thuy Bich Dam. As the Board consists entirely of non-executive directors, and committee meetings are generally arranged to coincide with Board meetings, the Board has decided that it is appropriate that all Directors should be members of the Remuneration Committee. The Committee's responsibilities include recommending to the Board the policy for the remuneration of the Company's Chairman, the Audit Committee Chairman and the remaining non-executive directors, and reviewing the ongoing appropriateness and relevance of the remuneration policy; determining the individual remuneration of each non-executive director; and the selection and appointment of any remuneration consultants who advise the Committee.

The Directors' Remuneration Report is presented after the Report of the Audit Committee.

Nomination Committee

The Nomination Committee comprises all of the Directors and is chaired by Huw Evans. As the Board consists entirely of non-executive directors, and committee meetings are generally arranged to coincide with Board meetings, the Board has decided that it is appropriate that all Directors should be members of the Nomination Committee. The Committee's responsibilities include reviewing the structure, size and composition of the Board and making recommendations to the Board in respect of any changes; succession planning for the Chairman and the remaining non-executive directors; making recommendations to the Board concerning the membership and chairmanship of the Board committees; identifying and nominating for the approval of the Board candidates to fill Board vacancies; and, before any new appointment is recommended, evaluating the balance of skills, knowledge, experience and diversity within the Board and preparing an appropriate role description. The Chairman absents himself from discussions on succession to his own role.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

CORPORATE GOVERNANCE STATEMENT (continued)

Board Composition

As at the date of this report the Board consists of six non-executive directors, each of whom is independent of the Investment Manager. No member of the Board is a Director of another investment company managed by the Investment Manager, nor has any Board member been an employee of the Company, its Investment Manager or any of its service providers.

Julian Healy was appointed as the SID at a meeting of the Board on 2 December 2021. The SID provides shareholders with someone whom they can contact if they have concerns which cannot be addressed through the normal channels. The SID is also available to act as an intermediary between the other Directors and the Chairman (if required). The role serves as an important check and balance in the governance process.

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

The Board believes that each Director has appropriate qualifications, industry experience and expertise to guide the Company and that the Board as a whole has an appropriate balance of skills, experience, background and knowledge. As at the date of this report, the Board comprises four men and two women. Two of the directors are Vietnamese and resident in Vietnam. The Directors' biographies can be found within the Board of Directors section.

Appointment of New Directors

The Board seeks to ensure that any vacancies arising are filled by the best qualified candidates. The Board's policy on diversity is that the Company's Directors should bring a wide range of skills, knowledge, experience, backgrounds and perspectives to the Board. All appointments are made on merit, and in the context of the skills, knowledge and experience that are needed for the Board to be effective. Part of the remit of the Board's Nomination Committee is, before any new appointment is recommended, evaluating the balance of skills, knowledge, experience and diversity within the Board.

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

Board and Committee Meetings

During the year ended 30 June 2022, the number of scheduled Board and Committee meetings attended by each Director was as follows:

	Board Meetings	Audit Committee Meetings	Management Engagement Committee Meetings	Nomination Committee Meetings	Remuneration Committee Meetings
Number of meetings	5	5	3	2	1
<i>Attendance</i>					
Steve Bates ¹	3	3	2	-	-
Huw Evans	5	5	3	2	1
Thuy Bich Dam	5	5	3	2	1
Peter Hames	5	5	3	2	1
Julian Healy	5	5	3	2	1
Kathryn Matthews	5	5	3	2	1
Hai Thanh Trinh ²	1	1	1	-	1

¹ Steve Bates retired on 2 December 2021.

² Hai Thanh Trinh was appointed on 30 June 2022.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

CORPORATE GOVERNANCE STATEMENT (continued)

Board and Committee Meetings (continued)

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

Board Performance

The Board has a formal process to evaluate its own performance and that of its Chairman annually. The provisions of the AIC Code require a FTSE 350 company to have its annual evaluation carried out in conjunction with an independent agency every three years and a review was carried out in 2022 by the Company's external evaluator, Lintstock Ltd. There are no other connections between Lintstock Ltd, the Company and any members of the Board. Lintstock raised no issues of significance and, following this review, the Board was satisfied that the structure, mix of skills and operation of the Board continue to be effective and relevant for the Company.

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

Internal Controls and Risk

(i) Risk Management System

Day to day management of risk is the responsibility of the Investment Manager, whose ERM framework provides a structured approach to managing risk across all of its managed funds by establishing a risk management culture through education and training, formalised risk management procedures, defining roles and responsibilities with respect to managing risk, and establishing reporting mechanisms to monitor the effectiveness of the framework. The Audit Committee works closely with the Investment Manager on the application, consideration and review of the ERM framework to the Company's risk environment.

Regular risk assessments and reviews of internal controls are undertaken by the Audit Committee. At each meeting, the Board considers both previously identified and emerging risks. The Administrator and Corporate Secretary and other service providers are also encouraged to provide their views on emerging risks. The reviews cover the strategic, investment, operational and financial risks facing the Company. In arriving at its judgement of the risks which the Company faces, the Board has considered the Company's operations in light of the following factors:

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

(ii) Internal Control Assessment Process

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

- review the risks faced by the Company and the controls in place to address those risks;
- identify and report changes in the risk environment;
- identify and report changes in the operational controls;
- identify and report on the effectiveness of controls and errors arising; and
- ensure no override of controls by the Investment Manager or Administrator or any other service providers.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

CORPORATE GOVERNANCE STATEMENT (continued)

Internal Controls and Risk (continued)

(ii) Internal Control Assessment Process (continued)

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

- investment management is provided by the Investment Manager. The Board is responsible for the overall investment policy and monitors the investment performance, actions and regulatory compliance of the Investment Manager at regular meetings;
- accounting for the Company and subsidiaries is provided by Aztec Group;
- fund administration is provided by Aztec Group;
- custody of those assets which can be held by a third party custodian is undertaken by Standard Chartered Bank;
- the Management Engagement Committee monitors the contractual arrangements with each of the key service providers and their performance under these contracts;
- mandates for authorisation of investment transactions and expense payments are set by the Board and documented in the Investment Management Agreement;
- the Board receives financial information produced by the Investment Manager on a regular basis. Board meetings are held at least four times per year to review such information; and
- actions are taken to remedy any significant failings or weaknesses, if identified.

(iii) Risk Management

For the purposes of making the Viability Statement, the Board has undertaken a robust review of the principal risks and uncertainties (and monitors emerging risks at each quarterly board meeting) facing the Company including those that would threaten its business model, future performance, solvency or liquidity. The risk matrix and heat map prepared by the Investment Manager and subject to detailed scrutiny by the Audit Committee are the key tools in this review, along with a mechanism at each quarterly Board meeting to consider and monitor any emerging risks. The principal risks are described in the following table together with a description of the mitigating actions taken by the Board.

<i>Macroeconomic and Market</i>	
<u>Description</u>	<u>Mitigating Action</u>
Opportunities for the Company to invest in Vietnam have come about through the liberalisation of the Vietnamese economy. Were the pace or direction of change to the economy to alter in the future, the interests of the Company could be damaged.	The Board is regularly briefed on political and economic developments by the Investment Manager. The Investment Manager publishes a monthly report on the Company which includes information and comment on macroeconomic and, where relevant, political developments relating to Vietnam.
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.	In the year under review, as well as at its regular scheduled meetings the Board held additional discussions with the Investment Manager to discuss the potential effects of the Russian conflict in Ukraine and the possible continuing effects of the COVID-19 pandemic on Vietnamese market risk. At these meetings it reviewed with the Investment Manager any tactical changes to the investment portfolio which may be necessary.
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.	

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

CORPORATE GOVERNANCE STATEMENT (continued)

Internal Controls and Risk (continued)

(iii) Risk Management (continued)

<i>Geopolitical</i>	
<u>Description</u>	<u>Mitigating Action</u>
<p>Risks to global growth emerged in February 2022 as a result of the conflict between Russia and Ukraine. The rise in energy and commodity prices is likely to have an impact on the Vietnamese economy and the prospects for companies in Vietnam.</p> <p>There is also a risk of an increase in the geopolitical tensions in the Asia region.</p> <p>During 2022, the risk of higher inflation caused a global economic slowdown, which could impact the Company's investments in Vietnam, emerged as a key risk.</p>	<p>The Investment Manager takes full account of economic risks in managing the Company's investments. While there has been little direct effect from the war in Ukraine, the Investment Manager has reviewed existing and potential investments with particular attention to the economic effects of increased global inflation, particularly in energy and food prices.</p>

<i>Investment Performance</i>	
<u>Description</u>	<u>Mitigating Action</u>
<p>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.</p> <p>The performance of the Company's investment portfolio could be poor, either absolutely or in relation to the Company's peers.</p>	<p>The Board maintains close contact with the Investment Manager and key personnel of the Investment Manager attend each Board meeting.</p> <p>The Board reviews the performance of the Investment Manager annually and provides feedback to the Investment Manager on matters that could be improved.</p> <p>The Board monitors the Company's portfolio of underlying investments and receives regular reports on the performance of the portfolio and on those underlying investments. The Investment Manager is based in Vietnam and closely monitors all developments which may affect investee companies. The Investment Manager attends all Board meetings either in person or via video conference.</p>

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

CORPORATE GOVERNANCE STATEMENT (continued)

Internal Controls and Risk (continued)

(iii) Risk Management (continued)

<i>Investment Performance</i>	
<u>Description</u>	<u>Mitigating Action</u>
The performance of the Company's investment portfolio could be poor, either absolutely or in relation to the Company's peers.	The Board monitors the allocation of the Company's portfolio to the various sectors and classes of assets and receives regular reports on the performance of the portfolio and on those underlying assets. The Investment Manager attends all Board meetings either in person or via video conference.

<i>Operational</i>	
<u>Description</u>	<u>Mitigating Action</u>
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.	<p>The Board receives regular reports from the Investment Manager on its internal policies, controls and risk management. It also receives formal assurance each year from the Investment Manager on the adequacy and effectiveness of its internal controls, including those concerning cyber risk.</p> <p>The Board has taken measures to ensure segregation of functions by appointing Aztec Group as the Company's independent administrator and Standard Chartered Bank as custodian for those assets which can be held by a third party custodian. Further details of the internal controls which are in place are set out within the Report of the Board of Directors.</p>

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

CORPORATE GOVERNANCE STATEMENT (continued)

Internal Controls and Risk (continued)

(iii) Risk Management (continued)

<i>Fair Valuation</i>	
<u>Description</u>	<u>Mitigating Action</u>
<p>The risks associated with the fair valuation of the portfolio could result in the NAV of the Company being misstated.</p> <p>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.</p> <p>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.</p> <p>The fair valuation of operating assets and private equity investments is carried out according to international valuation standards but the investments are not readily liquid and may not be immediately realisable at the stated carrying values.</p> <p>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 Financial Statements.</p>	<p>The Board reviews the fair valuation of the listed and unlisted investment portfolio with the Investment Manager at the end of each quarter and focuses in particular on any unexpected or sharp movements in market prices.</p> <p>The weekly, monthly and year-end NAV calculations are prepared by the Company's Administrator and reviewed by the Investment Manager.</p> <p>The Board has appointed independent external valuers to assist in determining fair values of certain private equity investments in accordance with International Financial Reporting Standards.</p> <p>The independent external valuers determine the fair value of certain private equity investments at the year end. The remaining valuations are estimated by the Investment Manager using pricing analysis and discounted cash flows and, in all cases, valuations are reviewed by the Audit Committee and approved by the Board.</p>

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

CORPORATE GOVERNANCE STATEMENT (continued)

Internal Controls and Risk (continued)

(iii) Risk Management (continued)

<i>Legal and Regulatory</i>	
<u>Description</u>	<u>Mitigating Action</u>
<p>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.</p> <p>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.</p>	<p>The laws and regulations in Vietnam continue to develop. The Investment Manager maintains a risk and compliance department which monitors compliance with local laws and regulations as necessary. Locally based external lawyers (typically members of major international law firms) are engaged to advise on portfolio transactions where necessary.</p> <p>As to its non-Vietnamese regulatory and legal responsibilities: (i) the Company is administered in Guernsey by Aztec Group which reports to the Board at each Board meeting on Guernsey compliance matters and more general issues applicable to Guernsey companies listed on the LSE, and (ii) the Investment Manager monitors legal, regulatory and tax issues in Singapore and the BVI, where the Company owns subsidiaries.</p> <p>The Investment Manager and other service providers confirm to the Board at least annually that they maintain anti-bribery and corruption policies and would disclose if there had been any breaches of these policies.</p>

<i>Changing investor sentiment</i>	
<u>Description</u>	<u>Mitigating Action</u>
<p>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 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.</p>	<p>The Investment Manager has an active Investor Relations programme, keeping shareholders and other potential investors regularly informed on Vietnam in general and on the Company's portfolio in particular. At each Board meeting the Board receives reports from the Investment Manager, from the Broker and from the UK Marketing and Distribution partner, Frostrow Capital LLP, and is updated on the composition of, and any movements in, the shareholder register. The Board also communicates regularly with major shareholders directly, independent of the Investment Manager.</p> <p>In seeking to make the Company attractive to investors seeking an income the Company pays regular dividends.</p> <p>In seeking to close the discount, the Board has also approved and implemented an extensive share buy-back programme, the details of which are set out in note 11 of the Financial Statements.</p>

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

CORPORATE GOVERNANCE STATEMENT (continued)

Internal Controls and Risk (continued)

(iii) Risk Management (continued)

<i>ESG Risk</i>	
<u>Description</u>	<u>Mitigating Action</u>
As responsible investors, the Board and Investment Manager are aware of the growing focus on ESG matters. In particular, 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.	As set out in the Corporate Governance Statement under "ESG" and in the Investment Manager's Report under "ESG and Voting Principles", the Board takes a close interest in ESG issues. The Investment Manager integrates ESG analysis into its portfolio management process. VinaCapital has increased its resources focused on ESG matters and its engagement with investee companies. Climate change and other ESG risks are also considered when valuing investments.

(iv) Internal Audit Function

The Audit Committee has reviewed the need for an internal audit function for the Company itself. The Committee has concluded that the systems and procedures employed by the Investment Manager and the Administrator, including their own internal audit functions, currently provide sufficient assurance that a sound system of internal control, which safeguards the Company's assets, is maintained. As all operations of the Company are outsourced to third parties, an internal audit function specific to the Company is therefore considered unnecessary. The Investment Manager has appointed KPMG Vietnam as its internal auditor.

Directors' Dealings

The Company has adopted a Code of Directors' Dealings in Securities.

International Tax Reporting

For purposes of the US Foreign Account Tax Compliance Act, the Company registered with the IRS as a Guernsey reporting FFI, received a Global Intermediary Identification Number (GUHZUZ.99999.SL.831), and can be found on the IRS FFI list.

The CRS is a global standard developed for the automatic exchange of financial account information developed by the OECD, which was adopted in Guernsey and which came into effect on 1 January 2016.

The Company made its latest report for CRS to the Guernsey Director of Income Tax in June 2022.

The Board ensures that the Company is compliant with Guernsey regulations and guidance in this regard.

Share Capital and Treasury Shares

The number of shares in issue at the year-end is disclosed in note 11 to the Financial Statements.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED**CORPORATE GOVERNANCE STATEMENT (continued)****Directors' Interests in the Company**

As at 30 June 2022 and 30 June 2021, the interests of the Directors in shares of the Company are as follows:

	Shares held as at 30 June 2022	Percentage of total shares at 30 June 2022	Shares held as at 30 June 2021	Percentage of total shares at 30 June 2021
Steve Bates (Retired 2 December 2021)	n/a	n/a	25,000	0.015%
Huw Evans	35,000	0.021%	35,000	0.021%
Thuy Bich Dam	-	-	-	-
Peter Hames	8,000	0.005%	-	-
Julian Healy	15,000	0.009%	15,000	0.009%
Kathryn Matthews	9,464	0.006%	9,464	0.006%
Hai Thanh Trinh (Appointed 30 June 2022)	-	-	n/a	n/a

There have been no changes to any holdings between 30 June 2022 and the date of this report.

Substantial Shareholdings

As at 30 June 2022 and 30 September 2022, the Directors are aware of the following shareholders with holdings of more than 3% of the ordinary shares of the Company:

Shareholder	30 June 2022		30 September 2022	
	Number of ordinary shares	Percentage of issued share capital	Number of ordinary shares	Percentage of issued share capital
Lazard Asset Management	23,432,966	14.33%	23,110,184	14.23%
City of London Investment Management	21,882,931	13.39%	22,022,327	13.56%
Hargreaves Lansdown	10,026,608	6.13%	10,014,046	6.17%
Allspring Global Investments	8,257,994	5.05%	8,603,293	5.30%
Janus Henderson	6,377,223	3.90%	N/A *	N/A *
Blackrock	5,132,081	3.14%	N/A *	N/A *

* This shareholder held less than 3% as 30 September 2022.

Annual General Meeting

The Company's next AGM is due to be held in Guernsey at the offices of Aztec Group at 11:00 on 5 December 2022.

Ongoing Charges

Ongoing charges are the recurring expenses incurred by the Company, excluding one-off expenses. Ongoing charges for the years ended 30 June 2022 and 30 June 2021 have been prepared in accordance with the AIC's recommended methodology. The ongoing charges excluding incentive fees for the year ended 30 June 2022 were 1.50% (30 June 2021: 1.64%). Ongoing charges including incentive fees for the year ended 30 June 2022 were 0.89% (30 June 2021: 7.72%). Please refer to the glossary for the calculation of these figures. The ongoing charges figure including incentive fees for the year to 30 June 2022 includes the effect of the reduction in the accrual for carried forward incentive fees as described in note 16(b) of the accounts. Percentages are calculated based on the average NAV during the financial year.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

CORPORATE GOVERNANCE STATEMENT (continued)

Going Concern and Viability Statement

As noted, the Directors have undertaken a robust review of the principal risks and uncertainties (including emerging risks) facing the Company and for the purposes of complying with the AIC Code, have assessed the viability of the Company over the three years to 30 June 2025. The Directors consider this period sufficient given the inherent uncertainty of the investment world and the specific issues which the Company faces in investing in Vietnam.

An additional factor which the Directors have considered is the discontinuation vote which will be put to shareholders at the AGM towards the end of 2023. In seeking to ensure that shareholders retain confidence in the Company, the Investment Manager meets regularly with shareholders and has an active investor relations programme. In addition, the Chairman communicates independently with significant shareholders. The Directors cannot predict the outcome of the discontinuation vote but currently have no indication that the vote will be passed and, in making this going concern and viability statement, have assumed that the Company will continue to operate in its present form.

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

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

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

REPORT OF THE BOARD OF DIRECTORS

The Board submits its Annual Report together with the Financial Statements of the Company for the year ended 30 June 2022.

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 Guernsey Law.

The Company is quoted on the Main Market of the LSE with a Premium Listing (ticker: VOF).

The Company's investments continue to be managed by the Investment Manager.

Principal Activities

Through its investments in subsidiaries and associates, 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.

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 and 2018 and 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 in 2023.

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 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 VND or USD), either in Vietnam or outside Vietnam.

Valuation Policy

The accounting policy for valuations can be found in note 2.7 to the Financial Statements.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

REPORT OF THE BOARD OF DIRECTORS (continued)

Performance

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

In light of the Company's Investment Objective, the KPIs used to measure the progress of the Company during the year were:

- 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.

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

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

Distribution Policy

Dividend Policy

The Company intends to pay a dividend representing approximately 1% of NAV twice each year, normally declared in March and October.

The policy will be subject to shareholder approval at each annual general meeting.

Share Buybacks

The Company may also distribute capital by means of share buybacks when the Board believes that it is in the best interests of shareholders to do so. The share buyback programme will be subject to Shareholder approval at each annual general meeting.

Discount Management

The Board will continue to operate the share buyback programme in line with the objective of ensuring that the share price more closely reflects the underlying NAV per share.

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

Refer to note 11 of the Financial Statements for details of share buybacks during the year under review.

Subsequent Events after the Reporting Date

On 24 October 2022, the Board declared a dividend of 8.0 US cents per share. The dividend is payable on or around 5 December 2022 to shareholders on record at 4 November 2022.

On behalf of the Board

Huw Evans

Chairman

VinaCapital Vietnam Opportunity Fund Limited

24 October 2022

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

In preparing the Financial Statements the Directors are required to:

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

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

Responsibility Statement of the Directors in Respect of the Financial Statements

The Directors consider that the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide information necessary for shareholders to assess the Company's position, performance, business model and strategy. Each of the Directors confirms to the best of each person's knowledge and belief that:

- a) the Financial Statements have been prepared in accordance with IFRS and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as at and for the year ended 30 June 2022; and
- b) the Annual Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that the Company faces as required by DTR 4.1.8R and DTR 4.1.11R.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES (continued)

Directors' Statement

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

On behalf of the Board

Huw Evans

Chairman

VinaCapital Vietnam Opportunity Fund Limited

24 October 2022

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

REPORT OF THE AUDIT COMMITTEE

On the following pages, we present the Report of the Audit Committee for the year ended 30 June 2022, setting out the Audit Committee's structure and composition, principal duties and key activities during the year. As in previous years, the Audit Committee has reviewed the Company's financial reporting, the independence and effectiveness of the External Auditor and the internal control and risk management systems of the service providers.

Structure and Composition

The Audit Committee is chaired by Julian Healy who succeeded Huw Evans on 2 December 2021. All other Directors of the Company are members of the Audit Committee. Hai Thanh Trinh joined the Audit Committee on his appointment to the Board on 30 June 2022.

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

The Committee conducts formal meetings at least three times a year. The table in the Report of the Board of Directors sets out the number of Audit Committee meetings held during the year ended 30 June 2022 and the number of such meetings attended by each committee member. The External Auditor is invited to attend those meetings at which the audit plan for the year is reviewed and at which the annual and interim reports are considered. The External Auditor and the Audit Committee Chairman meet every year without the presence of either the Administrator or the Investment Manager and at other times if the Audit Committee deems this to be necessary.

Principal Duties

The role of the Audit Committee includes:

- monitoring the integrity of the published Financial Statements of the Company and advising the Board on whether, taken as a whole, the Annual Report and Financial Statements are (i) fair, balanced and understandable and (ii) provide the information necessary for shareholders to assess the Company's performance, business model and strategy;
- reviewing and reporting to the Board on the significant issues and judgements made in the preparation of the Company's Annual Report and Financial Statements, having regard to matters communicated by the External Auditor, significant financial returns to regulators and other financial information;
- monitoring and reviewing the quality and effectiveness of the External Auditor and their independence and making recommendations to the Board on their appointment, reappointment, replacement and remuneration;
- carrying out a robust assessment of the principal risks facing the Company and including in the Annual Report and Financial Statements a description of those risks and explaining how they are being managed or mitigated; and
- recommending valuations of the Company's investments to the Board.

External Auditor

PwC CI was appointed as the External Auditor with effect from 24 May 2016 following the change of domicile of the Company from the Cayman Islands to Guernsey.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

REPORT OF THE AUDIT COMMITTEE (continued)

External Auditor (continued)

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

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

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

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

The External Auditor is required to rotate the Audit Engagement Partner responsible for the Company's audit every five years. The accounting year to 30 June 2022 was the second year for which Evelyn Brady has been the Audit Engagement Partner.

Key Activities

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

Risk Management

The Audit Committee received and reviewed detailed reports on the principal risks facing the Company from the Investment Manager. The Audit Committee's reviews focused on changes to the risks and also considered whether the Company was subject to any new or emerging risks, taking account of the views of the Investment Manager, of other service providers and of Committee members' own awareness of issues which may affect the Company. In the year under review, particular attention was paid to (i) macroeconomic, market, pricing and currency risk; (ii) the business, legal and regulatory compliance environment; (iii) the valuation of investments; (iv) governance and internal controls assessment; (v) portfolio construction; (vi) monitoring of private equity investments; and (vii) the growing focus by investors on ESG matters.

Significant Financial Statement Issues

(a) Valuation of Investments

The fair value of the Company's investments at 30 June 2022 was USD1,206 million accounting for 98.6% of the Company's assets (30 June 2021: USD1,353 million and 94.7%, respectively).

In relation to the listed investments and unlisted investments where an active market exists, the Audit Committee confirmed that the Investment Manager has used the market values published by the relevant stock exchanges as at the Statement of Financial Position date.

In relation to the operating asset and private equity investments, the Audit Committee ensured that the Investment Manager and, where relevant, the Independent Valuer have applied appropriate valuation methodologies.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

REPORT OF THE AUDIT COMMITTEE (continued)

Key Activities (continued)

Significant Financial Statement Issues

(a) Valuation of Investments (continued)

Members of the Audit Committee meet the Independent Valuer and the Investment Manager at least annually to discuss the valuation process. The Audit Committee gains comfort in the valuations produced by reviewing the methodologies used. The methodologies and valuations were discussed and subsequently approved by the Audit Committee in meetings with the Independent Valuer and the Investment Manager in September and October 2022. In these meetings, the Audit Committee challenged the unobservable inputs applied to projected future returns and in particular as to whether these take due account of the effects of heightened global inflation, macroeconomic and specific company and industry risks, as well as the possible effects of climate change.

The Independent Valuer and the Investment Manager were invited to justify the approach to these issues and confirmed that due account had been taken of the relevant risks.

The Audit Committee regularly reviews the movement in valuations year on year including sensitivity factors affecting the valuations.

(b) Calculation of the incentive fee and determination of fair value of the liability

As a result of the fall in NAV over the year, part of the accrual for incentive fees carried forward from the prior year was written back. The incentive fee is calculated by the Administrator, which is independent of the Investment Manager.

The Audit Committee sought assurance both that the incentive fee and associated accruals were correctly calculated in compliance with the investment management agreement, and that an appropriate discount rate was used and correctly applied in arriving at the present value of incentive fees which may potentially be paid in future years, on the basis that the NAV remains constant. As in previous years, the Audit Committee instructed CES Investments Ltd to perform an independent, full review of the relevant calculations. Following this exercise, the Audit Committee was satisfied that the assumptions used were appropriate and the calculations were accurate.

Effectiveness of the Audit

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

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

Audit fees and Safeguards on Non-Audit Services

The table below summarises the remuneration paid by the Company to PwC CI and to other PwC member firms for audit and non-audit services during the years ended 30 June 2022 and 30 June 2021.

	Year ended 30 June 2022 USD'000	Year ended 30 June 2021 USD'000
Audit and assurance services		
- Annual audit	413	396
- Interim review	91	86
Total	504	482

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

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

REPORT OF THE AUDIT COMMITTEE (continued)

Conclusion and Recommendation

On the basis of its work carried out over the year, and assurances given by the Investment Manager and the Administrator, the Audit Committee is satisfied that the Financial Statements appropriately address the critical judgements and key estimates (both in respect of the amounts reported and the disclosures). The Audit Committee is also satisfied that the significant assumptions used to determine the values of assets and liabilities have been appropriately scrutinised and challenged and are sufficiently robust. At the request of the Board, the Audit Committee considered and was satisfied that the 30 June 2022 Annual Report and Financial Statements were fair, balanced and understandable and that they provided the necessary information for shareholders to assess the Company's performance, business model and strategy.

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

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

Julian Healy

Audit Committee Chairman

24 October 2022

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

DIRECTORS' REMUNERATION REPORT

Directors' Remuneration Policy

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

The non-executive Directors of the Company are entitled to such rates of annual fees as the Board at its discretion shall from time to time determine. In addition to the annual fee, under the Company's Articles of Association, if any Director is requested to perform extra or special services, they will be entitled to receive such additional remuneration as the Board may think fit.

No component of any Director's remuneration is subject to performance factors.

The rates of fees per Director are reviewed annually, although these reviews will not necessarily result in any changes in remuneration. Annual fees are pro-rated where a change takes place during a financial year.

Limit on Aggregate Total Directors' Fees

At the AGM on 10 December 2018, a resolution was approved by shareholders to increase the maximum aggregate total remuneration to USD650,000.

Recruitment Remuneration Principles

1. The remuneration package for any new Chairman or non-executive Director will be the same as the prevailing rates determined on the basis set out above. The fees and entitlement to reclaim reasonable expenses will be set out in Directors' Letters of Appointment.
2. The Board will not pay any introductory fee or incentive to any person to encourage them to become a Director but may pay the fees of search and selection specialists in connection with the appointment of any new non-executive Director.
3. The Company intends to appoint only non-executive Directors for the foreseeable future.

Service Contracts

None of the Directors has a service contract with the Company. Non-executive Directors are engaged under Letters of Appointment and are subject to annual re-election by shareholders.

Loss of Office

Directors' Letters of Appointment expressly prohibit any entitlement to payment on loss of office.

Scenarios

The Chairman's and non-executive Directors' remuneration is fixed at annual rates, and there are no other scenarios where remuneration will vary unless there are payments for extra or special services in their role as Directors. It is accordingly not considered appropriate to provide different remuneration scenarios for each Director.

Statement of Consideration of Conditions Elsewhere in the Company

As the Company has no employees, a process of consulting with employees on the setting of the Remuneration Policy is not relevant.

Other Items of Remuneration

None of the Directors has any entitlement to pensions or pension-related benefits, medical or life insurance schemes, share options, long-term incentive plans, or performance-related payments. No Director is entitled to any other monetary payment or any assets of the Company except in their capacity (where applicable) as shareholders of the Company.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

DIRECTORS' REMUNERATION REPORT (continued)

Directors' Remuneration Policy (continued)

Other Items of Remuneration (continued)

Directors' and Officers' liability insurance is maintained and paid for by the Company on behalf of the Directors. The Company has also provided indemnities to the Directors in respect of costs or other liabilities which they may incur in connection with any claims relating to their performance or the performance of the Company whilst they are Directors.

The Directors' interests in contractual arrangements with the Company are as shown in the Report of the Directors. Except as noted in the Report of the Directors, no Director was interested in any contracts with the Company during the period or subsequently.

Review of the Remuneration Policy

The Board has agreed that there would be a formal review before any change to the Remuneration Policy is made; and, at least once a year, the Remuneration Policy will be reviewed to ensure that it remains appropriate.

Shareholder approval of the Directors' Remuneration Policy

An ordinary resolution for the approval of the Directors' Remuneration Policy will be put to the shareholders at the AGM to be held on 5 December 2022. If this is approved, the directors intend to put forward a further resolution for approval of the Directors' Remuneration Policy not later than the Company's AGM in 2025.

Directors' Remuneration Implementation Report

For the year ended 30 June 2022, with one exception, Directors' individual annual remuneration remained the same as the previous year, the fees being USD105,000 for the Chairman and USD75,000 for the independent Directors, with USD5,000 for membership of the Audit Committee and USD15,000 for chairmanship of the same. Julian Healy receives an additional USD10,000 per annum to compensate for the additional work incurred as part of his role as an observer at meetings of the Investment Manager's Investment Committee. Mr Healy discontinued this role when he became Chairman of the Audit Committee, effective from 2 December 2021.

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

Directors' Emoluments for the Year

The Directors over the past two years have received the following emoluments in the form of fees:

		Year ended	
	Annual fee	30 June 2022	30 June 2021
	USD	USD	USD
Steve Bates *	105,000	44,226	95,000
Huw Evans *	105,000	98,723	90,000
Thuy Bich Dam	80,000	80,000	80,000
Peter Hames	80,000	80,000	1,315
Julian Healy *	90,000	90,000	90,000
Kathryn Matthews	80,000	80,000	80,000
Hai Thanh Trinh **	80,000	219	-
		473,168	436,315

* On 2 December 2021, Steve Bates retired from his position as the Chairman of the Board and was succeeded by Huw Evans. Julian Healy was appointed as Chairman of the Audit Committee on the same date.

** On 30 June 2022, Hai Thanh Trinh was appointed as a member of the Board.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

DIRECTORS' REMUNERATION REPORT (CONTINUED)

Directors' Remuneration Implementation Report (continued)

Directors' Emoluments for the Year (continued)

With effect from 1 July 2021, the annual fee for the position of Chairman of the Board increased from USD90,000 to USD105,000.

In addition, Directors were reimbursed for their expenses incurred in performance of their duties, including attendance at Board and Annual General Meetings.

Shareholder Approval of the Directors' Remuneration Implementation Report

An ordinary resolution for the approval of the Directors' Remuneration Implementation Report will be put to the shareholders at the AGM to be held on 5 December 2022. A similar resolution was put to the previous AGM in December 2021 and votes cast were as follows:-

Vote cast	Shares voted	Percentage
In favour	83,433,681	99.96%
Against	31,692	0.04%
Withheld	21,264	n/a

Following a meeting of the Remuneration Committee on 30 June 2022 it was recommended that:

- the additional USD5,000 for membership of the Audit Committee was not relevant, as all directors are members of the committee and therefore the basic directors' fee should change to USD80,000; and
- there should be a supplement of USD5,000 per annum for the Chairs of the Remuneration and Management Engagement committees.

The proposed annual fee rates are then as set out in the table below and the only change will be the increases for the Chairs of the Remuneration and Management Engagement Committees:

Position	Proposed fees (USD)
Chair of the Company	105,000
Chair of the Audit Committee	90,000
Chairs of the Remuneration and Management Engagement Committees	85,000
Other directors	80,000

These fees will be applicable for the year ended 30 June 2023 subject to shareholders' approval at the Meeting.

On behalf of the Board

Thuy Bich Dam

Chair

Remuneration Committee

24 October 2022

Independent auditor's report to the members of VinaCapital Vietnam Opportunity Fund Limited

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of VinaCapital Vietnam Opportunity Fund Limited (the "company") as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

What we have audited

The company's financial statements comprise:

- the statement of financial position as at 30 June 2022;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements of the company, as required by the Crown Dependencies' Audit Rules and Guidance. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview

Audit scope

- The principal activity of the company comprises investing in a portfolio of investments in Vietnam (referred to as "financial assets at fair value through profit or loss") through a structure of unconsolidated holding companies.
 - In establishing the overall approach to the company's audit, we determined the type of work that needed to be performed by us or by our assisting teams from other PwC network firms.
 - We tailored the audit scope taking into account the type of financial assets at fair value through profit or loss held, the accounting processes and controls operated by the company and the overall market to which the company is exposed through its financial assets at fair value through profit or loss.
 - We conducted our audit of the financial information and records provided by Aztec Financial Services (Guernsey) Limited (the "Administrator") to whom the Board of Directors has delegated the provision of administrative functions. The company and the unconsolidated holding companies are administered by the Administrator and as such all financial information and records are available in Guernsey. We, together with our assisting teams from other PwC network firms, also had significant interaction with the Investment Manager in completing aspects of our overall audit work.
-

Independent auditor's report to the members of VinaCapital Vietnam Opportunity Fund Limited (continued)

Key audit matters

- Valuation of the underlying private equity investments recognised as part of financial assets at fair value through profit or loss
- Recognition and measurement of deferred incentive fees

Materiality

- Overall materiality: USD 17.7 million (2021: USD20.4 million) based on 1.5% of net assets.
- Performance materiality: USD 13.3 million (2021: USD15.3 million).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain, and we considered the risk of climate change and the potential impact thereof on our audit approach. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
<p><i>Valuation of the underlying private equity investments recognised as part of financial assets at fair value through profit or loss</i></p> <p>As detailed in notes 3.1(a) and 8 to the financial statements, the company's financial assets at fair value through profit or loss include underlying private equity investments totalling USD 296.2 million (2021: USD255.4 million).</p> <p>The underlying private equity investments as detailed in note 3.1(a)(ii), are valued on methodologies considered most appropriate by the Directors, including fair values derived from internal valuations prepared by the Investment Manager and fair values determined by valuation experts engaged by the Board, using industry standard private equity valuation techniques which are then adjusted for the relevant unconsolidated holding companies' residual net assets.</p>	<ol style="list-style-type: none"> 1. We understood and evaluated the controls over the valuation process and the areas where significant judgements and estimates are made; 2. We attended relevant valuation meetings to understand and observe the company's process of challenging and approving the valuations prepared by the Investment Manager and those prepared by the valuation experts engaged by the Board; 3. We obtained and evaluated the final reports issued by the Investment Manager and by the valuation experts to the Board so as to understand the critical accounting estimates, judgements and valuation methodologies adopted to determine the fair value of the underlying private equity investments;

Independent auditor's report to the members of VinaCapital Vietnam Opportunity Fund Limited (continued)

Key audit matter	How our audit addressed the key audit matter
<p>There is a risk that the fair valuation of the underlying private equity investments may be materially misstated as these fair values rely on the proper determination of an appropriate valuation methodology, the use of judgemental inputs as well as the skill and knowledge of the Investment Manager and valuation experts engaged by the Board to develop and report on these valuations.</p> <p>There is also the inherent risk that the Investment Manager or the Board may unduly influence the independent experts in their determination of the fair valuations for these investments.</p> <p>This is a main area of focus and a significant risk. Due to its significance and importance to the users of the consolidated financial statements, we have deemed this area to be a key audit matter.</p>	<ol style="list-style-type: none"> 4. We engaged PwC valuation experts to provide audit support in evaluating, challenging and concluding on the fair valuations of certain underlying private equity investments. With the assistance of PwC valuation experts, we have (a) assessed and challenged the appropriateness of valuation methodologies and approaches and (b) challenged and commented on models which were adopted by the company, including significant estimates such as cash flow projections, discount rates and terminal growth rates; 5. In evaluating the critical estimates and judgements underpinning the fair value of the underlying private equity investments, we obtained satisfactory explanations when challenging the assumptions made by the valuation experts engaged by the Board and Investment Manager in the applicable valuation models. In testing and challenging the assumptions used, we corroborated the information provided by the valuation experts and Investment Manager against third party sources where applicable and our view and understanding of various economic indicators; 6. Tested the mathematical accuracy of the valuation models and verified the significant inputs into the models by agreement to third party sources where applicable; 7. Confirmed and assessed the independence, objectivity and competence of the valuation experts engaged by the Board; and 8. Attended Audit Committee meetings and also read Audit Committee papers and minutes where the fair valuations provided by the Investment Manager and the valuation experts were discussed, agreed and adopted by the Board. <p>We have not identified any matters to report to those charged with corporate governance.</p>
<p><i>Recognition and measurement of deferred incentive fees</i></p> <p>As detailed in notes 3.1(b) and 16(b) to the financial statements, as at 30 June 2022, the company has recognised a USD 22.8 million (2021: USD 58.2 million) of incentive fee payable after one year, discounted to USD 20.4 million (2021: USD 48.8 million) to reflect the time value of money.</p> <p>The recognition and measurement of the deferred incentive fees, is subject to significant estimates and</p>	<ol style="list-style-type: none"> 1. We understood and evaluated the controls over the calculation of incentive fees and the discounting of the deferred incentive fees, including the areas where significant judgements and estimates are made; 2. We tested the mathematical accuracy of the incentive fee model and verified the inputs into the model by agreeing these to third party sources where applicable; and

Independent auditor's report to the members of VinaCapital Vietnam Opportunity Fund Limited (continued)

Key audit matter	How our audit addressed the key audit matter
judgements, which increases the risk of misstatements, as such we have deemed this area to be a key audit matter.	<p>3. We tested the key assumptions used and obtained satisfactory explanations when challenging these assumptions, particularly the probability of future payments and discount rate used. In testing and challenging the assumptions used, we corroborated the information provided by the company against third party sources where applicable and our view and understanding of various economic indicators.</p> <p>We have not identified any matters to report to those charged with corporate governance.</p>

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which the company operates.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	USD 17.7 million (2021: USD 20.4 million).
How we determined it	1.5% of net assets
Rationale for benchmark applied	We believe that net asset is the most appropriate benchmark because this is the key metric of interest to shareholders. It is also the generally accepted measure used for companies in this industry.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2021:75%) of overall materiality, amounting to USD 13.3 million (2021: 15.3 million) for the company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above USD 0.885 million (2021:USD 1 million) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Independent auditor's report to the members of VinaCapital Vietnam Opportunity Fund Limited (continued)

Reporting on other information

The other information comprises all the information included in the Annual Report and Financial Statements (the "Annual Report") but does not include the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards, the requirements of Guernsey law and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Independent auditor's report to the members of VinaCapital Vietnam Opportunity Fund Limited (continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Use of this report

This report, including the opinions, has been prepared for and only for the members as a body in accordance with Section 262 of The Companies (Guernsey) Law, 2008 and for no other purpose. We do not, in giving these opinions, 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.

Report on other legal and regulatory requirements

Company Law exception reporting

Under The Companies (Guernsey) Law, 2008 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit;
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

The company has reported compliance against the 2019 AIC Code of Corporate Governance (the "Code") which has been endorsed by the UK Financial Reporting Council as being consistent with the UK Corporate Governance Code for the purposes of meeting the company's obligations, as an investment company, under the Listing Rules of the FCA.

Independent auditor's report to the members of VinaCapital Vietnam Opportunity Fund Limited (continued)

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the company and its environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Evelyn Brady
For and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants and Recognised Auditor
Guernsey, Channel Islands
24 October 2022

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

STATEMENT OF FINANCIAL POSITION

	Note	30 June 2022 USD'000	30 June 2021 USD'000
TOTAL ASSETS			
Financial assets at fair value through profit or loss	8	1,205,940	1,353,108
Prepayments and other assets	10,13	943	88
Cash and cash equivalents	6	15,630	76,225
Total assets		1,222,513	1,429,421
TOTAL LIABILITIES			
Accrued expenses and other payables	12	22,060	20,803
Deferred incentive fees	16(b)	20,353	48,845
Total liabilities		42,413	69,648
SHAREHOLDERS' EQUITY			
Share capital	11	285,314	317,112
Retained earnings		894,786	1,042,661
Total shareholders' equity		1,180,100	1,359,773
Total liabilities and shareholders' equity			
		1,222,513	1,429,421
Net asset value, USD per share	18	7.22	8.07
Net asset value, GBP per share		5.93	5.85

The Financial Statements were approved by the Board of Directors on 24 October 2022 and signed on its behalf by:

Huw Evans
Chairman

Julian Healy
Director

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

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2021	Note	Share capital USD'000	Retained earnings USD'000	Total equity USD'000
Balance at 1 July 2020		354,595	521,510	876,105
Profit for the year		-	540,784	540,784
Total comprehensive income		-	540,784	540,784
Transactions with shareholders				
Shares repurchased	11	(37,483)	-	(37,483)
Dividends paid	9	-	(19,633)	(19,633)
Balance at 30 June 2021		317,112	1,042,661	1,359,773

For the year ended 30 June 2022	Note	Share Capital USD'000	Retained earnings USD'000	Total equity USD'000
Balance at 1 July 2021		317,112	1,042,661	1,359,773
Loss for the year		-	(121,443)	(121,443)
Total comprehensive deficit		-	(121,443)	(121,443)
Transactions with shareholders				
Shares repurchased	11	(31,798)	-	(31,798)
Dividends paid	9	-	(26,432)	(26,432)
Balance at 30 June 2022		285,314	894,786	1,180,100

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

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

STATEMENT OF COMPREHENSIVE INCOME

		Year ended	
	Note(s)	30 June 2022 USD'000	30 June 2021 USD'000
Dividend income	14	58,250	102,191
Net (losses)/gains on financial assets at fair value through profit or loss	15	(167,289)	521,601
General and administration expenses	16(a)	(20,248)	(17,595)
Facility set-up costs	10	(364)	-
Finance expense	16(b), 19	(6,977)	-
Incentive fee clawback/(charge)	3, 16(b), 19	15,185	(65,413)
Operating (loss)/profit		(121,443)	540,784
(Loss)/Profit before tax		(121,443)	540,784
Corporate income tax	17	-	-
(Loss)/Profit for the year		(121,443)	540,784
Total comprehensive (deficit)/income for the year		(121,443)	540,784
Earnings per share			
- basic and diluted (USD per share)	18	(0.73)	3.15
- basic and diluted (GBP per share)	18	(0.60)	2.28

All items were derived from continuing activities.

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

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED
STATEMENT OF CASH FLOWS

		Year ended	
	Note	30 June 2022 USD'000	30 June 2021 USD'000
Operating activities			
(Loss)/Profit before tax		(121,443)	540,784
<i>Adjustments for:</i>			
Net losses/(gains) on financial assets at fair value through profit or loss	15	167,289	(521,601)
Dividend income	14	(58,250)	(102,191)
Facility set-up costs	10, 13	364	-
Incentive fee (clawback)/charge	16(b), 20	(15,185)	65,413
Finance expense	16(b)	6,977	-
		(20,248)	(17,595)
Increase in prepayments and other assets	10,13	(855)	(59)
(Decrease)/Increase in liabilities	12,16(b)	(16,671)	16
		(37,774)	(17,638)
Purchases of financial assets at fair value through profit or loss	8	(226,944)	(143,419)
Return of capital from financial assets at fair value through profit or loss	8	206,823	182,394
Dividend income	14	58,250	102,191
Net cash generated from operating activities		355	123,528
Financing activities			
Purchase of shares into treasury	11	(34,154)	(35,127)
Facility set-up costs	10	(364)	-
Dividends paid	9	(26,432)	(19,633)
Net cash used in financing activities		(60,950)	(54,760)
Net change in cash and cash equivalents for the year		(60,595)	68,768
Cash and cash equivalents at the beginning of the year	6	76,225	7,457
Cash and cash equivalents at the end of the year	6	15,630	76,225

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

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company registered on 22 March 2016 as a closed-ended investment scheme with limited liability under the Guernsey Law. The Company is registered in Guernsey with registration number 61765. Prior to that date the Company was incorporated in the Cayman Islands as an exempted company with limited liability.

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 Guernsey Law.

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

On 30 March 2016, the Company's shares were admitted to the Main Market of the LSE" with a Premium Listing under the ticker symbol VOF. Prior to that date, the Company's shares were traded on the AIM market of the LSE.

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 and 2018 and on each occasion the resolution was not passed, allowing the Company to continue as currently constituted.

The Financial Statements for the year ended 30 June 2022 were approved for issue by the Board on 24 October 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Statement of Compliance

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

2.1 Basis of preparation

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

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

2.2 Going concern

The Financial Statements have been prepared on a going concern basis. The Board has examined areas of possible financial risk, in particular cash requirements and the ongoing obligations of the banking covenants. After due consideration, the Directors believe that the Company has adequate financial resources and suitable management arrangements in place to continue in operational existence for a period of at least twelve months from the date of approval of these Financial Statements.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Changes in accounting policy and disclosures

The Board has considered the new standards and amendments that are mandatorily effective from 1 January 2021 and determined that these do not have a material impact on the Company and are not expected to significantly affect 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 fair value through profit or loss. The Company has also applied the exemption from accounting for its associates using the equity method as permitted by IAS 28.

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

Refer to note 3 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 asset, private equity investments 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 appropriate 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 Foreign currency translation

(a) Functional and presentation currency

The functional currency of the Company is the USD. The Company's Financial Statements are presented in USD.

(b) Transactions and balances

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

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

2.7 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, being the date on which the Company commits to purchase or sell the asset.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Financial instruments (continued)

(a) Recognition and derecognition (continued)

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.

The Company has classified all investments in equity securities as financial assets at FVPL 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 as financial assets 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 FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets at FVPL are expensed in the Statement of Comprehensive Income.

Subsequent to initial recognition, investments at FVPL are measured at fair value with gains and losses arising from changes in the fair value recognised in the 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 fair value through profit or loss in which case transaction costs are recognised directly in profit or loss.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Financial instruments (continued)

(e) Classification and measurement of financial liabilities (continued)

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

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

2.8 Cash and cash equivalents

In the Statement of Cash Flows, cash and cash equivalents includes deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. The presentation of the Statement of Cash Flows has changed from the presentation included in the financial statements for the year ended 30 June 2021 to ensure that the classification of cash flows are presented in the manner which is most appropriate to the Company's principal business activities.

2.9 Share capital

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

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

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

2.10 Dividend Income

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

2.11 Operating expenses

Operating expenses are accounted for on an accrual basis.

2.12 Related parties

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

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the Statement of Financial Position, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events, and it must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.14 Dividend distribution

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's Financial Statements and disclosed in the Statement of Changes in Equity in the period in which the dividends are approved by the Board.

2.15 Loans and borrowings

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs, such as set up costs. After initial recognition interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Facility set up costs are charged to the Statement of Comprehensive Income over the period of the facility.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

3.1 Critical accounting estimates and assumptions

(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 30 June 2022, 100% (30 June 2021: 100%) of the financial assets at fair value through profit and loss relate to the Company's investments in subsidiaries and associates that have been fair valued in accordance with the policies set out above.

The underlying investments include listed and unlisted securities, one operating asset and private equity investments. 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.

The fair values of the operating asset and private equity investments are estimated by the Independent Valuer or, at times, are fair valued by the Investment Manager. The valuations by the Independent Valuer and Investment Manager are prepared using a number of methodologies such as adjusted net asset valuations, discounted cash flows, income-related multiples, price-to-book ratios and structured financial arrangements.

The estimated fair values provided by the Independent Valuer and Investment Manager are used by the Audit Committee as the primary basis for estimating the fair value of the operating asset and private equity investments for recommendation to the Board. Information about the significant judgements, estimates and assumptions that are used in the valuation of the investments is discussed 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.

As at 30 June 2022 and 30 June 2021, the Company classified its investments in subsidiaries and associates as Level 3 within the fair value hierarchy because they are not publicly traded, even when the underlying assets may be readily realisable.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

3.1 Critical accounting estimates and assumptions (continued)

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

The carrying amounts of the investments in subsidiaries and associates are set out in note 8. The sensitivity analysis of these investments is shown in note 20(b).

(i) 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 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.

(ii) Valuation of private equity investments

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 and structured financial arrangements. 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. Refer to note 20(b) which sets out a sensitivity analysis of the significant observable inputs used in the valuations of the private equity.

(iii) Valuation of the operating asset

In previous years, the fair value of any underlying operating asset was based on valuations by an independent specialist appraiser. The estimated fair values provided by the independent specialist appraisers were then used by the Independent Valuer as the primary basis for estimating fair value of the Company's subsidiaries and associates that held these properties in accordance with accounting policies set out in note 2.7. As at the year end, the Company was waiting for the approval of SSC to be able to sell the operating asset and the estimated sales price was used as the basis of the valuation.

(b) Incentive Fee

The incentive fee is calculated as follows:

- To the extent that the NAV as at any year end commencing 30 June 2019 is 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 is calculated at a rate of 12.5%;
- The maximum amount of incentive fees that can be paid in any one year is capped at 1.5% of the weighted average month-end NAV during that year.
- Any incentive fees earned in excess of this 1.5% cap will be accrued if they are expected to be paid out in subsequent years.

Any incentive fees payable within 12 months are classified under accrued expenses and other payables in the 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 Statement of Financial Position.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

3.1 Critical accounting estimates and assumptions (continued)

(b) Incentive Fee (continued)

At the end of each financial year, the Board makes an estimation 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 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% has been applied to the deferred incentive fees.

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 are substantially measured and evaluated on a fair value basis.

The Company has the typical characteristics of an investment entity:

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

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

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

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 (excluding Other Assets) with reference to the assets held by each respective subsidiary. General and administration expenses are allocated based on the investment sector. Finance costs and accrued incentive fees are allocated to each segment (excluding Other Assets) with reference to the percentage allocation on the net gains/losses on financial assets at fair value through profit or loss.

The financial assets at fair value through profit or loss are measured based on the investment sector. Other assets and liabilities are classified as other net assets.

Segment information can be analysed as follows:

Statement of Comprehensive Income

	Capital Markets* USD'000	Operating Asset USD'000	Private Equity USD'000	Other Assets** USD'000	Total USD'000
Year ended 30 June 2022					
Dividend income	30,705	-	27,545	-	58,250
Net (losses)/gains on financial assets at fair value through profit or loss	(217,275)	155	49,831	-	(167,289)
General and administration expenses (note 16)	(14,522)	(206)	(4,905)	(615)	(20,248)
Facility set-up costs (note 10)	(262)	(4)	(88)	(10)	(364)
Finance expense	(9,061)	6	2,078	-	(6,977)
Incentive clawed back income/(fee)	19,722	(14)	(4,523)	-	15,185
Loss before tax	(190,693)	(63)	69,938	(625)	(121,443)
Year ended 30 June 2021					
Dividend income	73,395	-	28,796	-	102,191
Net (losses)/gains on financial assets at fair value through profit or loss	506,407	493	14,701	-	521,601
General and administration expenses (note 16)	(13,028)	(154)	(3,144)	(1,269)	(17,595)
Finance expense	-	-	-	-	-
Incentive (fee)/clawed back income	(63,506)	(62)	(1,845)	-	(65,413)
Profit before tax	503,268	277	38,508	(1,269)	540,784

* Capital markets include listed securities and unlisted securities, valued at their prices on UPCoM or using quotations from brokers.

** Other assets include cash and cash equivalents, interest and other net assets of the subsidiaries and associates at fair value.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. SEGMENT ANALYSIS (continued)

Statement of Financial Position

	Capital Markets* USD'000	Operating Asset USD'000	Private Equity USD'000	Other Net Assets** USD'000	Total USD'000
As at 30 June 2022					
Financial assets at fair value through profit or loss	876,743	12,413	296,156	20,628	1,205,940
Prepayments and other assets	-	-	-	943	943
Cash and cash equivalents	-	-	-	15,630	15,630
Total assets	876,743	12,413	296,156	37,201	1,222,513
Total liabilities					
Accrued expenses and other payables	-	-	-	22,060	22,060
Deferred incentive fees	-	-	-	20,353	20,353
Total liabilities	-	-	-	42,413	42,413
Net asset value	876,743	12,413	296,156	(5,212)	1,180,100

	Capital Markets* USD'000	Operating Asset USD'000	Private Equity USD'000	Other Net Assets** USD'000	Total USD'000
As at 30 June 2021					
Financial assets at fair value through profit or loss	1,058,428	12,530	255,407	26,743	1,353,108
Prepayments and other assets	-	-	-	88	88
Cash and cash equivalents	-	-	-	76,225	76,225
Total assets	1,058,428	12,530	255,407	103,056	1,429,421
Total liabilities					
Accrued expenses and other payables	-	-	-	20,803	20,803
Deferred incentive fees	-	-	-	48,845	48,845
Total liabilities	-	-	-	69,648	69,648
Net assets value	1,058,428	12,530	255,407	33,408	1,359,773

* 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 USD20.6 million (30 June 2021: USD26.7 million) include cash and cash equivalents, prepayments 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 30 June 2022, the restricted cash held in these Vietnamese subsidiaries and associates amounted to USD nil (30 June 2021: 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 year.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. INTERESTS IN SUBSIDIARIES AND ASSOCIATES (continued)

5.1 Directly-owned subsidiaries

The Company had the following directly-owned subsidiaries as at 30 June 2022 and 30 June 2021:

Subsidiary	Country of incorporation	30 June 2022 % of Company interest	As at 30 June 2021 % of Company interest	Nature of the business
Allwealth Worldwide Limited	British Virgin Islands ("BVI")	100.00	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 investments
Boardwalk South Limited *	BVI	100.00	-	Holdings company for listed securities
Clearfield Pacific Limited **	BVI	100.00	-	Holding company for investments
Clipper Ventures Limited	BVI	100.00	100.00	Holding company for investments
Darasol Investments Limited **	BVI	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
Goldcity Worldwide Limited **	BVI	100.00	-	Holding company for investments
Hospira Holdings Limited	BVI	100.00	100.00	Holding company for investments
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

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. INTERESTS IN SUBSIDIARIES AND ASSOCIATES (continued)

5.1 Directly-owned subsidiaries (continued)

Subsidiary	Country of incorporation	As at		Nature of the business
		30 June 2022 % of Company interest	30 June 2021 % of Company interest	
VOF Investment Limited	BVI	100.00	100.00	Holding company for listed and unlisted securities, operating assets 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

* Boardwalk South Limited was acquired by Clipper Ventures Limited during the year and subsequently restructured to be held directly by VinaCapital Vietnam Opportunities Fund Limited.

** Clearfield Pacific Limited, Darasol Investments Limited and Goldcity Worldwide Limited were acquired during the year.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. INTERESTS IN SUBSIDIARIES AND ASSOCIATES (continued)

5.2 Indirect interests in subsidiaries

The Company had the following indirect interests in subsidiaries at 30 June 2022 and 30 June 2021:

Indirect subsidiary	Country of incorporation	Nature of the business	Immediate Parent	30 June 2022 % of Company's indirect interest	As at 30 June 2021 % 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	83.46
Allright Assets Ltd *	BVI	Holding company for private equity	Clipper Ventures Limited	100.00	50.00
Chifley Investments Pte. Ltd	Singapore	Holding company for investments	Belfort Worldwide Limited	100.00	100.00
Clipper One 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	50.00
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 Six Limited **	BVI	Holding company for investments	Clipper Ventures Limited	-	100.00
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	83.46	83.46
Howard Holdings Pte. Limited	Singapore	Holding company for investments	Allwealth Worldwide Limited	100.00	100.00
Liva Holding Limited ***	BVI	Holding company for private equity	Halley Five Limited	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 investments	Halley Four Limited	79.40	79.40
Thai Hoa International Hospital JSC	Vietnam	Medical and healthcare services	Abbott Holding Pte. Limited	81.07	81.07
Victory Holding Investment Limited	BVI	Holding company for listed securities and private equity	Clipper Ventures Limited	87.58	87.58

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. INTERESTS IN SUBSIDIARIES AND ASSOCIATES (continued)

5.2 Indirect interests in subsidiaries (continued)

Indirect subsidiary	Country of incorporation	Nature of the business	Immediate Parent	30 June 2022	As at
				% of Company's indirect interest	30 June 2021 % of Company's indirect interest
Vietnam Opportunity Fund II Pte. Ltd.	Singapore	Holding company for private equity	Belfort Worldwide Limited	68.00	68.00
Whitlam Holding Pte. Limited	Singapore	Holding company for listed securities	Navia Holdings Limited	61.26	61.26

* Aldrin Two Pte. Ltd and Allright Assets Ltd were restructured to Clipper Ventures Limited during the year.

** Halley Six Limited was disposed by Clipper Ventures Limited during the year.

*** Liva Holdings Limited was acquired by Halley Five Limited during the year.

5.3 Direct interests in associates

The Company did not have any directly-owned associates as at 30 June 2022 or 30 June 2021.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. INTERESTS IN SUBSIDIARIES AND ASSOCIATES (continued)

5.4 Indirect interests in associates

The Company had the following indirect interests in associates at 30 June 2022 and 30 June 2021:

Indirect associate	Country of incorporation	Nature of the business	Company's subsidiary or associate Holding direct interest in the associate	30 June	As at
				2022	30 June
				% of	2021
				Company's	Company's
				indirect	indirect
				interest	interest
Hung Vuong Corporation	Vietnam	Operating assets investment	VOF Investment Limited	31.04	31.04
Ngoc Nghia Industry Service Trading *	Vietnam	Private equity investment	Tempel Four Limited	-	28.54
Thu Cuc Medical & Beauty Care Joint Stock Company	BVI	Private equity investment	Aldrin One Pte. Ltd	24.39	24.39

* Ngoc Nghia Industry Service Trading was disposed by Tempel Four Limited during the year.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. INTERESTS IN SUBSIDIARIES AND ASSOCIATES (continued)

5.5 Financial risks

At 30 June 2022, the Company owned a number of subsidiaries and associates for the purpose of holding investments in listed and unlisted securities, operating asset and private equity investments. The Company, via these underlying investments, is subject to financial risks which are further disclosed in note 20. 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

	30 June 2022 USD'000	30 June 2021 USD'000
Cash at banks	15,630	76,225

As at 30 June 2022, cash and cash equivalents were denominated in USD and GBP.

The Company's overall cash position including cash held in directly held subsidiaries as at 30 June 2022 was USD30.1 million (30 June 2021: USD100.7 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 the Vietnamese subsidiaries and associates amounted to USD nil (30 June 2021: USD nil).

7. FINANCIAL INSTRUMENTS BY CATEGORY

	Financial assets at amortised cost USD'000	Financial assets at fair value through profit or loss USD'000	Total USD'000
As at 30 June 2022			
Financial assets at fair value through profit or loss	-	1,205,940	1,205,940
Cash and cash equivalents	15,630	-	15,630
Total	15,630	1,205,940	1,221,570
Financial assets denominated in:			
- GBP	162	-	162
- USD	15,468	1,205,940	1,221,408
As at 30 June 2021			
Financial assets at fair value through profit or loss	-	1,353,108	1,353,108
Cash and cash equivalents	76,225	-	76,225
Receivables (excluding prepayments)	4	-	4
Total	76,229	1,353,108	1,429,337
Financial assets denominated in:			
- GBP	10	-	10
- USD	76,219	1,353,108	1,429,327

As at 30 June 2022 and 30 June 2021, the carrying amounts of all financial and other assets approximate their fair values.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

All financial liabilities, with the exception of the deferred incentive fees, are short term in nature and their carrying values approximate their fair values. The fair value of the deferred incentive fees do not materially differ from their carrying amount which is based on the discounted cash flows using an annualised rate of 8%. There are no financial liabilities that must be accounted for at fair value through profit or loss (30 June 2021: nil).

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

	30 June 2022		30 June 2021	
	Within 12 Months	Over 12 Months	Within 12 Months	Over 12 Months
	USD'000	USD'000	USD'000	USD'000
Cash and cash equivalents	14,472	-	24,512	-
Ordinary shares – listed	704,878	-	938,215	-
Ordinary shares – unlisted *	171,865	-	120,213	-
Private equity	9,853	286,303	-	255,407
Operating asset	12,413	-	-	12,530
Other net assets	6,156	-	2,231	-
	919,637	286,303	1,085,171	267,937

* Unlisted Securities include OTC traded securities and unlisted securities publicly traded on UPCoM of the Hanoi Stock Exchange.

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

	30 June 2022	30 June 2021
	USD'000	USD'000
Real Estate	321,138	296,336
Financials	229,229	292,878
Materials	182,182	351,933
Consumer Staples	116,388	44,424
Industrial	97,804	99,243
Consumer Discretionary	76,704	86,134
Health Care	65,976	67,114
Information Technology	63,595	54,610
Energy	32,296	33,693

As at 30 June 2022, the largest underlying holding, Asia Commercial Bank, within financial assets at fair value through profit or loss amounted to 11.6% of the NAV of the Company. This superseded Hoa Phat Group which was the largest underlying holding during the year ended 30 June 2021 and amounted to 19.5% of the NAV of the Company.

There have been no changes in the classification of financial assets at fair value through profit or loss shown as Level 3 during the year ended 30 June 2022.

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.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

	For the year ended	
	30 June 2022	30 June 2021
	USD'000	USD'000
Opening balance	1,353,108	870,482
Purchases	226,944	143,419
Return of capital	(206,823)	(182,394)
Net (losses)/gains for the period	(167,289)	521,601
	1,205,940	1,353,108

9. DIVIDENDS

The dividends paid in the reporting period were as follows;

Year ended 30 June 2022	Dividend rate per share (cents)	Net dividend payable (USD'000)	Record date	Ex-dividend date	Pay date
Dividend	8.0	13,288	5 November 2021	4 November 2021	06 December 2021
Dividend	8.0	13,144	8 April 2022	7 April 2022	10 May 2022
		26,432			

Year ended 30 June 2021	Dividend rate per share (cents)	Net dividend payable (USD'000)	Record date	Ex-dividend date	Pay date
Dividend	5.5	9,406	6 November 2020	5 November 2020	25 November 2020
Dividend	6.0	10,227	9 April 2021	8 April 2021	4 May 2021
		19,633			

On 24 October 2022, the Board declared a dividend of 8.0 US cents per share. The dividend is payable on or around 5 December 2022 to shareholders on record at 4 November 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

	30 June 2022	30 June 2021
	USD'000	USD'000
Deferred expenses (note 13)	900	-
Prepayments	43	84
Amounts receivable from third parties	-	4
	943	88

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 through the sale of 100% of VinaSugar Holding Limited in 2012 for a total consideration of USD28.45 million. As at 30 June 2022 and 30 June 2021, 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 Indochina Food Industries Pte. Ltd 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 impaired.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. PREPAYMENTS AND OTHER ASSETS (continued)

On 18 March 2022, the Company entered into a revolving credit facility with Standard Chartered Bank (Singapore) Limited. Interest charged on the facility is the aggregate of Margin plus the Compounded Reference Rate. The Company did not draw on the facility during the year. Costs totalling USD1.3 million were incurred in relation to this arrangement, which have been capitalised as a prepayment and is amortised over the period of the facility. The amount of USD0.4 million has been expensed to the Statement of Comprehensive Income which resulted in a deferred expense of USD0.9 million on the Statement of Financial Position at year end.

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

	30 June 2022		30 June 2021	
	Number of shares	USD'000	Number of shares	USD'000
Issued and fully paid at 1 July	184,600,992	491,301	192,311,125	491,301
Cancellation of treasury shares	(4,938,288)	-	(7,710,133)	-
Issued and fully paid at year end	179,662,704	491,301	184,600,992	491,301
Shares held in treasury	(16,182,716)	(205,987)	(16,182,716)	(174,189)
Outstanding shares at year end	163,479,988	285,314	168,418,276	317,112

Treasury shares

	30 June 2022	30 June 2021
	Number of shares	Number of shares
Opening balance at 1 July	16,182,716	16,182,716
Shares repurchased during the year	4,938,288	7,710,133
Shares cancelled during the year	(4,938,288)	(7,710,133)
Closing balance at year end	16,182,716	16,182,716

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 year ended 30 June 2022, 4.9 million shares (2021: 7.7 million) were repurchased at a cost of USD31.8 million (2021: USD37.5 million) of which USD nil (2021: USD2.4 million) was payable at the year-end (see note 12) and 4.9 million shares (2021: 7.7 million) were cancelled.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. ACCRUED EXPENSES AND OTHER PAYABLES

	USD'000	USD'000
Incentive fees payable to the Investment Manager (note 19(b))	20,284	16,568
Management fees payable to the Investment Manager (note 19(a))	1,272	1,481
Expenses recharged payable to the Investment Manager (note 19(a))	98	-
Revolving credit facility costs payable (note 10)	25	-
Directors' fees payable (note 19(c))	-	1
Share repurchase payable (note 11)	-	2,360
Other payables	381	393
	22,060	20,803

All accrued expenses and other payables are short-term in nature. Therefore, their carrying values are considered a reasonable approximation of their fair values. Further details on the payables to other related parties are disclosed in note 19.

13. LOANS AND OTHER BORROWINGS

	30 June 2022 USD'000	30 June 2021 USD'000
Net loan liability at beginning of the year	-	-
Revolving credit facility drawdown	-	-
Revolving credit facility repayment	-	-
Net loan liability due	-	-

On 18 March 2022, the Company entered into a USD40.0 million revolving credit facility with Standard Chartered Bank (Singapore) Limited, known as the Agent. The Company did not draw on the facility during the year.

Security has been provided by way of a charge over the Company's assets under the Facility. Interest charged on the facility is the aggregate of Margin plus the Compounded Reference Rate. Interest is charged on a duration of one, three or six months or of any other period agreed between the Borrower and the Agent.

In accordance with the loan facility agreement the Company has various non-financial and financial covenants that are required to be met. The two financial covenants are detailed below.

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

14. DIVIDEND INCOME

	Year ended	
	30 June 2022 USD'000	30 June 2021 USD'000
Dividend income	58,250	102,191

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 year, the subsidiaries received a total amount of USD15.9 million in dividends from their investee companies (30 June 2021: USD20.4 million).

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

	Year ended	
	30 June 2022	30 June 2021
	USD'000	USD'000
Financial assets at fair value through profit or loss:		
- Unrealised (losses)/gains, net	(167,289)	521,601
	(167,289)	521,601

16(a). GENERAL AND ADMINISTRATION EXPENSES

	Year ended	
	30 June 2022	30 June 2021
	USD'000	USD'000
Management fees (note 19(a))	17,256	14,723
Custodian, secretarial and other professional fees	1,139	1,114
Audit fees	512	533
Directors' fees and expenses (note 19(c))	480	429
Expenses recharged by the Investment Manager	132	91
Other expenses	729	705
	20,248	17,595

16(b). DEFERRED INCENTIVE FEE

Following payment in October 2021 of the incentive fee of USD16.6 million which became due on publication of the Annual Report of Accounts for the year to 30 June 2021, USD58.3 million in respect of deferred but unpaid incentive fees was carried forward from 30 June 2021. For the year ended 30 June 2022, an amount of USD15.2 million was clawed back. The amount of USD20.3 million was accrued as a current liability at the year end with the remaining USD22.8 million carried forward and is potentially due in future years. The amount of USD22.8 million has been discounted to USD20.4 million (30 June 2021: USD48.8 million) to reflect the time value of money and is shown as deferred incentive fees in the Statement of Financial Position.

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 Statement of Financial Position.

18. EARNINGS PER SHARE AND NET ASSET VALUE PER SHARE

(a) Basic

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

	Year ended	
	30 June 2022	30 June 2021
(Loss)/Profit for the year (USD'000)	(121,443)	540,784
Weighted average number of ordinary shares in issue	165,674,093	171,509,881
Basic (loss)/earnings per share (USD per share)	(0.73)	3.15

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. EARNINGS PER SHARE AND NET ASSET VALUE PER SHARE (continued)

The basic loss per share in GBP was 0.60 at 30 June 2022 (30 June 2021: earnings per share in GBP was 2.28).

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

	30 June 2022	30 June 2021
Net asset value (USD'000)	1,180,100	1,359,773
Number of outstanding ordinary shares in issue (note 11)	163,479,988	168,418,276
Net asset value per share (USD per share)	7.22	8.07

19. RELATED PARTIES

(a) Management fees

The Investment Manager receives a fee at the annual rates set out below, payable monthly in arrears.

- 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.

Total fees paid to the Investment Manager for the year amounted to USD17.4 million (30 June 2021: USD14.8 million), of which USD0.1 million (30 June 2021: USD0.1 million) was in relation to recharge of expenses incurred. In total USD1.4 million (30 June 2021: USD1.5 million) was payable to the Investment Manager at the reporting date.

(b) Incentive fees

As described in note 16(b), following payment in October 2021 of the incentive fee of USD16.6 million which became due on publication of the Annual Report of Accounts for the year to 30 June 2021, USD58.3 million in respect of accrued deferred but unpaid incentive fees was carried forward from 30 June 2021. For the year ended 30 June 2022, an amount of USD15.2 million was clawed back. The amount of USD20.3 million was accrued as a current liability at the year end with the remaining USD22.8 million carried forward and is potentially due in future years. The amount of USD22.8 million has been discounted to USD20.4 million (30 June 2021: USD48.8 million) to reflect the time value of money and is shown as deferred incentive fees in the Statement of Financial Position.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. RELATED PARTIES (continued)

(c) Directors' Remuneration

The Directors who served during the past two years received the following emoluments in the form of fees:

		Year ended	
	Annual fee	30 June 2022	30 June 2021
	USD	USD	USD
Steve Bates *	105,000	44,226	95,000
Huw Evans *	105,000	98,723	90,000
Thuy Bich Dam	80,000	80,000	80,000
Peter Hames	80,000	80,000	1,315
Julian Healy *	90,000	90,000	90,000
Kathryn Matthews	80,000	80,000	80,000
Hai Thanh Trinh **	80,000	219	-
		473,168	436,315

* On 2 December 2021, Steve Bates retired from his position as the Chairman of the Board and was succeeded by Huw Evans. Julian Healy was appointed as Chairman of the Audit Committee on the same date.

** On 30 June 2022, Hai Thanh Trinh was appointed as member of the Board.

With effect from 1 July 2021, the annual fee for the position of Chairman of the Board increased from USD90,000 to USD105,000.

Directors' expenses of USD6,843 (30 June 2021: USD 7,439) were incurred during the year. The total amount earned by the Directors during the year was USD480,011 (30 June 2021: USD428,876), of which USD220 was outstanding at 30 June 2022 (30 June 2021: USD1,315).

(d) Shares held by related parties

	Shares held as at 30 June 2022	Shares held as at 30 June 2021
Steve Bates*	n/a	25,000
Thuy Bich Dam	-	-
Huw Evans	35,000	35,000
Peter Hames (Appointed 24 June 2021)	8,000	-
Julian Healy	15,000	15,000
Kathryn Matthews	9,464	9,464
Hai Thanh Trinh **	-	n/a
Andy Ho	248,084	248,084

* Steve Bates retired from his position as the Chairman of the Board

As at 30 June 2022, Stephen Westwood, the co-owner of CES Investments Ltd which provides consultancy services to the Company, owned 6,000 shares (30 June 2021: 6,000 shares) in the Company.

As at 30 June 2022, the Investment Manager owned 2,354,275 shares (30 June 2021: 1,690,575 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.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

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

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

There have been no significant changes in the management of risk or in any risk management policies during the financial year to 30 June 2022.

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

(i) Market risk

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

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

The Company's subsidiaries and associates invest in listed and unlisted equity securities and are exposed to market price risk of these securities. The majority of the underlying equity investments are traded on either of Vietnam's stock exchanges, the Ho Chi Minh Stock Exchange or the Hanoi Stock Exchange, as well as UPCoM.

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

Market price sensitivity analysis

If the prices of the listed and unlisted securities had increased/decreased by 10%, the Company's financial assets held at fair value through profit or loss would have been higher/lower by USD87.7 million (30 June 2021: USD105.8 million).

See note 20(b) for a sensitivity analysis of the fair values of private equity.

Depending on the development stage of a project and its associated risks, the Independent Valuer uses discount rates in the range from 13% to 19% and terminal growth rates of 5% (30 June 2021: 12% to 21% and 1.5% to 5%, respectively).

Foreign exchange risk

The Company makes investments in USD and receives income and proceeds from sales in USD. Nevertheless, investments are made in entities which are often exposed to the VND, and these entities are therefore sensitive to the foreign exchange rate of the VND against USD. On a 'look-through' basis, therefore, the Company is exposed to movements in the exchange rate of the VND against the USD. In addition, the Company has exposure to GBP and Euro ("EUR") through operational transactions in these currencies.

The Company's NAV would fluctuate by the following amounts were the foreign exchange rate to increase 1%:

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) *Financial risk factors (continued)*
Foreign exchange risk (continued)

	30 June 2022 USD'000	30 June 2021 USD'000
VND	(12)	(13)
GBP	-	-
EUR	-	-

There would be the reverse impact should the foreign exchange rate decrease by 1%.

Interest rate risk

The Company's exposure to interest rate risk is considered to be limited as the Company does not have any directly held interest-bearing loans, receivables or payables.

(ii) Credit risk

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

The Company's maximum credit exposure without taking into account any collateral held consists of the carrying amount of cash and receivables of the Company and its subsidiaries and associates at the year end. Cash and receivables of the Company's subsidiaries and associates is classified within financial assets at fair value through profit or loss.

	30 June 2022 USD'000	30 June 2021 USD'000
Financial assets at fair value through profit or loss	20,300	25,733
Cash and cash equivalents	15,630	76,225
Prepayments and other assets	-	4
	35,930	101,962

At 30 June 2022 and 30 June 2021, USD11.6 million of receivables of the Company relating to the sale of a direct investment were fully impaired, as described in note 10. In determining the impairment the Directors have made judgements as to whether there is a probability of default or observable data available indicating that there has been a significant change to the debtor's ability to pay. The Investment Manager is also investigating the collateral against which the receivables may be secured and whether mechanisms exist to recover value from the collateral. The Investment Manager is examining the possibility of recovering the receivables in question; however it was concluded that there is still a reasonable expectation of recovery thus no write-off of the fully impaired receivables has been made.

Apart from the fully impaired receivables as described above, the Company has no significant concentration of credit risk. All cash is placed with a financial institution with a credit rating of A+ and the risk of default on the other receivables is considered minimal.

(iii) Liquidity risk

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

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

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

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk factors (continued)

(iii) Liquidity risk (continued)

	30 June 2022		30 June 2021	
	Within 12 Months	Over 12 Months	Within 12 Months	Over 12 Months
	USD'000	USD'000	USD'000	USD'000
Incentive fee payable/deferred	20,284	22,803	16,568	58,272
Payables to related parties (note 12)	1,370	-	1,482	-
Other payables (note 12)	406	-	2,753	-

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

	30 June 2022		30 June 2021	
	Within 12 Months	Over 12 Months	Within 12 Months	Over 12 Months
	USD'000	USD'000	USD'000	USD'000
Cash and cash equivalents	15,630	-	76,225	-
Prepayments and other assets	943	-	88	-
Financial assets at fair value through profit or loss	919,637	286,303	1,085,171	267,937
	936,210	286,303	1,161,484	267,937

(a) Capital management

The Company's capital management objectives are:

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

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

Capital as at the year-end is summarised as follows:

	30 June 2022	30 June 2021
	USD'000	USD'000
Net assets attributable to equity shareholders	1,180,100	1,359,773

(b) Fair value estimation

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

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

There are no financial liabilities of the Company which were carried at fair value through profit or loss as at 30 June 2022 and 30 June 2021.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. FINANCIAL RISK MANAGEMENT (continued)

(b) Fair value estimation (continued)

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

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

	Level 3 USD'000	Total USD'000
As at 30 June 2022		
Financial assets at fair value through profit or loss	1,205,940	1,205,940
As at 30 June 2021		
Financial assets at fair value through profit or loss	1,353,108	1,353,108

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 year ended 30 June 2022 and 30 June 2021.

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

	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
As at 30 June 2022				
Cash and cash equivalents	14,472	-	-	14,472
Ordinary shares – listed	704,878	-	-	704,878
– unlisted *	166,003	5,862	-	171,865
Private equity investments	-	-	296,156	296,156
Operating asset	-	-	12,413	12,413
Other net assets	-	-	6,156	6,156
	885,353	5,862	314,725	1,205,940
As at 30 June 2021				
Cash and cash equivalents	24,512	-	-	24,512
Ordinary shares – listed	938,215	-	-	938,215
– unlisted*	113,504	6,709	-	120,213
Private equity investments	-	-	255,407	255,407
Operating asset	-	-	12,530	12,530
Other net (liabilities)/assets	-	-	2,231	2,231
	1,076,231	6,709	270,168	1,353,108

* 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 Statement of Financial Position date. Financial instruments which trade in markets that are not considered to be active but are valued based on prices 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.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. FINANCIAL RISK MANAGEMENT (continued)

(b) Fair value estimation (continued)

Private equities, the operating asset, 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 3.2. 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 30 June 2022, keeping all other assumptions constant. The changes in discount rates by +/- 1% is considered appropriate for the market in which the Company is operating.

At 30 June 2022, the operating asset was valued at USD12.4 million (30 June 2021: USD12.5 million) by reference to its expected sale price and any changes in unobservable input assumptions such as discount rate and cap rate are not considered to be relevant.

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)				
Private equity	Discounted cash flows	195,104 *	13%-19%	n/a	5%	n/a	Change in discount rate				
								-1%	0%	1%	
							Change in terminal	-1%	197,887	189,001	181,228
							growth	0%	205,558	195,104	185,615
Private equity	Multiples	13,100	n/a	n/a	n/a	10.8x		1%	214,041	202,004	192,055
							Change in sales growth rate				
								-1%	0%	1%	
							Change in terminal	-1%	13,100	13,100	13,139
							growth rate	0%	13,100	13,100	13,139
								1%	13,123	13,123	13,161

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. FINANCIAL RISK MANAGEMENT (continued)

(b) Fair value estimation (continued)

* 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 USD296.2 million recorded as Level 3 private equity investments earlier in note 20 and the two above balances of USD208.2 million relates to three underlying investments, two of those were valued using the quoted market price at the year end and the other was valued using the net selling price and are thus not subject to the same sensitivities.

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 30 June 2021, keeping all other assumptions constant. The changes in discount rates by +/- 1% is 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)				
Private equity	Multiples	10,345	N/A	N/A	N/A	2.32x	Change in sales growth rate				
								-1%	0%	1%	
							Change in	-1%	10,181	10,266	10,346
							EBITDA	0%	10,305	10,345	10,388
Private equity	Discounted cash flows	169,368 *	12% - 21%	N/A	1.5% - 5%	N/A	margin	1%	10,339	10,425	10,507
							Change in discount rate				
								-1%	0%	1%	
							Change in	-1%	174,413	163,032	153,295
							terminal	0%	182,138	169,368	158,323
							growth rate	1%	191,854	176,728	164,343

* 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 USD255.4 million recorded as Level 3 private equity investments earlier in note 20 and the two above balances of USD179.7 million relates to two underlying investments that were valued using the post-year end listing prices and are thus not subject to the same sensitivities.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

20. FINANCIAL RISK MANAGEMENT (continued)

(b) Fair value estimation (continued)

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

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

(c) Incentive fee

Set out below is the sensitivity analysis which shows the changes in the Company's deferred and accrued incentive fee payable based on the significant unobservable input assumptions used in the calculation as at 30 June, keeping all other assumptions constant. The changes in discount rates of +/- 1% and NAV of +/-10% are considered appropriate for the market in which the Company is operating.

As at 30 June 2022

		Discount rate		
		-1%	0%	+1%
Change in NAV	+10%	53,485	52,943	52,414
	0%	40,918	40,637	40,362
	-10%	27,692	27,595	27,500

As at 30 June 2021

		Discount rate		
		-1%	0%	+1%
Change in NAV	+10%	80,671	79,198	77,776
	0%	66,457	65,413	64,403
	-10%	51,952	51,310	50,687

21. SUBSEQUENT EVENTS

This Annual Report and Financial Statements were approved by the Board on 24 October 2022. Subsequent events have been evaluated until this date.

On 24 October 2022, the Board declared a dividend of 8.0 US cents per share. The dividend is payable on or around 5 December 2022 to shareholders on record at 4 November 2022.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

MANAGEMENT AND ADMINISTRATION

Directors

Steve Bates (Retired 2 December 2021)
Thuy Bich Dam
Huw Evans
Peter Hames
Julian Healy
Kathryn Matthews
Hai Thanh Trinh (Appointed 30 June 2022)

Registrar

Computershare Limited
13 Castle Street
St Helier
Jersey, JE1 1ES
Channel Islands

Registered Office

PO Box 656
Trafalgar Court
Les Banques
St Peter Port
Guernsey, GY1 3PP
Channel Islands

Independent Auditor

PricewaterhouseCoopers CI LLP
PO Box 321
Royal Bank Place
1 Gategny Esplanade
St Peter Port
Guernsey, GY1 4ND
Channel Islands

Investment Manager

VinaCapital Investment Management Ltd
Elizabeth House
Les Ruettes Brayes
St Peter Port
Guernsey, GY1 4N
Channel Islands

Investment Advisor

VinaCapital Fund Management JSC
17th Floor, Sun Wah Tower
115 Nguyen Hue Blvd, District 1
Ho Chi Minh City
Vietnam

Administrator and Corporate Secretary

Aztec Financial Services (Guernsey) Limited
PO Box 656
Trafalgar Court
Les Banques
St Peter Port
Guernsey, GY1 3PP
Channel Islands

UK Marketing and Distribution Partner

Frostrow Capital LLP
25 Southampton Buildings
London WC2A 1AL
United Kingdom

Corporate Broker

Numis Securities Limited
45 Gresham Street
London EC2V 7BF
United Kingdom

Custodian

Standard Chartered Bank (Vietnam) Limited
Unit 1810-1815, Keangnam
Cau Giay New Urban Area
Me Tri Com Hanoi
Vietnam

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

MANAGEMENT AND ADMINISTRATION (continued)

Investment Manager's Offices:

Ho Chi Minh City

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VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

GLOSSARY AND ALTERNATIVE PERFORMANCE MEASURES

<u>Term</u>	<u>Definition</u>
2H22	The second half of 2022
2Q22	The second quarter of 2022
Agent	Standard Chartered Bank (Singapore) Limited
AGM	Annual General Meeting
AIC	The Association of Investment Companies
AIC Code	The AIC Code of Corporate Governance which was issued in February 2019
ASEAN	The Association of Southeast Asian Nations
ADTV	Average daily trading value
Board	The Board of Directors
BVI	British Virgin Islands
Discount to NAV per Share	Discount to NAV per Share is calculated as follows (in USD): $(NAV \text{ at year end} - \text{Share Price at year end}) \div NAV \text{ at year end}$ <i>Being (7.22 – 5.79) ÷ 7.22</i>
CAAV	Civil Aviation Authority of Vietnam
Company	VinaCapital Vietnam Opportunity Fund Limited
COVID-19	The disease caused by SARS-CoV-2, the coronavirus that emerged in December 2019
CPI	Consumer Price Index
CRS	Common Reporting Standard
EBITDA	Earnings before interest, tax, depreciation and amortisation. A measure of the gross profit of a company.
ERM	Enterprise Risk Management
ESG	Environmental, Social, and Governance
External Auditor	PricewaterhouseCoopers CI LLP
Facility	The revolving credit facility as disclosed in note 13

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

GLOSSARY AND ALTERNATIVE PERFORMANCE MEASURES (continued)

FDI	Foreign direct investments.
FFI	Foreign Financial Institution
Financial Statements	The Audited Financial Statement
FVPL	Fair value through profit or loss
FY	Financial year. The Company's financial year runs from 1 July to 30 June.
GBP	British Pound Sterling.
GDP	Gross Domestic Product. GDP is a monetary measure of the market value of all the final goods and services produced in a specific time period in a country or wider region.
GICS	Global Industry Classification Standard
Guernsey Code	The Guernsey Code of Corporate Governance
Guernsey Law	The Companies (Guernsey) Law, 2008 as amended
HCMC	Ho Chi Minh City
HNX	The Hanoi Stock Exchange
HOSE	The Ho Chi Minh Stock Exchange.
IAS	International Accounting Standard
IASB	International Accounting Standards Board
IATA	International Air Transport Association
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
Incentive Income/(Fee) Ratio	<p>Income income/(fee) ratio represents the finance expense and incentive income/(fee) for the year divided by the average NAV for the year.</p> <p>The incentive income/(fee) ratio is calculated as follows:</p> <p>(Finance expense for the year + incentive income/(fee) for the year) ÷ average NAV for the year</p> <p><i>Being ((USD6,977) + USD15,185) ÷ USD1,347,167</i></p>
Independent Valuer	A qualified independent professional services firm

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

GLOSSARY AND ALTERNATIVE PERFORMANCE MEASURES (continued)

IPO	Initial public offering – the means by which most listed companies achieve their stock market listing.																														
IRR	The internal rate of return. A measure of the total return on an investment taking account of the amount and timing of all amounts invested and amounts realised. The IRR is expressed as an annualised percentage. The use of IRR enables different investments with differing cash flow profiles to be compared on a like for like financial basis.																														
IRS	US Internal Revenue Service																														
JPY	Japanese Yen																														
KPI	Key performance Indicator																														
LSE	The London Stock Exchange.																														
MBA	Master of Business Administration																														
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 Total Return	<p>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 rate and that the dividend would grow at the same rate of return as the NAV per share after re-investment.</p> <p>The NAV Total Return is calculated as follows:</p> <p><i>Total return over 1 year:</i></p> <table><tr><td>30 June 2022: Closing NAV per share</td><td>7.22</td><td>a</td></tr><tr><td>Dividends paid</td><td>0.16</td><td>b</td></tr><tr><td>Effect of dividend reinvestment*</td><td>-0.02</td><td>c</td></tr><tr><td>30 June 2021 Opening NAV per share</td><td>8.07</td><td>d</td></tr><tr><td>NAV Total Return (%)</td><td>-8.8%</td><td>$=((a+b+c)/d)-1$</td></tr></table> <p><i>Total return over 3 years:</i></p> <table><tr><td>30 June 2022: Closing NAV per share</td><td>7.22</td><td>a</td></tr><tr><td>Dividends paid</td><td>0.385</td><td>b</td></tr><tr><td>Effect of dividend reinvestment*</td><td>0.07</td><td>c</td></tr><tr><td>30 June 2019 Opening NAV per share</td><td>5.17</td><td>d</td></tr><tr><td>NAV Total Return (%)</td><td>48.4%</td><td>$=((a+b+c)/d)-1$</td></tr></table>	30 June 2022: Closing NAV per share	7.22	a	Dividends paid	0.16	b	Effect of dividend reinvestment*	-0.02	c	30 June 2021 Opening NAV per share	8.07	d	NAV Total Return (%)	-8.8%	$=((a+b+c)/d)-1$	30 June 2022: Closing NAV per share	7.22	a	Dividends paid	0.385	b	Effect of dividend reinvestment*	0.07	c	30 June 2019 Opening NAV per share	5.17	d	NAV Total Return (%)	48.4%	$=((a+b+c)/d)-1$
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30 June 2019 Opening NAV per share	5.17	d																													
NAV Total Return (%)	48.4%	$=((a+b+c)/d)-1$																													

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED
GLOSSARY AND ALTERNATIVE PERFORMANCE MEASURES (continued)

	<p><i>Total return over 5 years:</i></p> <p><i>30 June 2022: Closing NAV per share</i> 7.22 <i>a</i></p> <p><i>Dividends paid</i> 0.646 <i>b</i></p> <p><i>Effect of dividend reinvestment*</i> 0.19 <i>c</i></p> <p><i>30 June 2017 Opening NAV per share</i> 4.73 <i>d</i></p> <p><i>NAV Total Return (%)</i> 70.4% $=((a+b+c)/d)-1$</p> <p>* The total return is calculated by assuming that dividends paid out are re-invested into the NAV on the ex-dividend date. After each dividend payment, the value of the amount notionally reinvested is then assumed to change proportionally to subsequent changes in the NAV per share. This is accounted for in the “Effect of dividend reinvestment” row.</p>
NPAT	Net profit after tax
OECD	Organisation for Economic Co-operation and Development
Ongoing Charges excluding Incentive Fee Ratio	<p>The Ongoing Charges excluding Incentive Fee Ratio represents the annualised ongoing charges (excluding finance costs, transaction costs and taxation) divided by the average NAV of the Company for the year and has been prepared in accordance with the AIC’s recommended methodology. Ongoing charges reflect expenses likely to recur in the foreseeable future.</p> <p>The Ongoing Charges excluding Incentive Fee Ratio is calculated as follows (in USD’000):</p> <p>Sum of general and administration expenses and total incentive income/(fee) ÷ average NAV for the year</p> <p><i>Being: USD20,248 ÷ USD1,347,167</i></p>
Ongoing Charges plus Incentive Fee Ratio	<p>The Ongoing Charges plus Incentive Fee Ratio represents the annualised ongoing charges (excluding transaction costs and taxation) divided by the average NAV of the Company for the year and has been prepared in accordance with the AIC’s recommended methodology. Ongoing charges reflect expenses likely to recur in the foreseeable future.</p> <p>The Ongoing Charges plus Incentive Fee Ratio is calculated as follows in USD’000):</p> <p>Sum of general and administration expenses and total incentive income/(fee) ÷ average NAV for the year</p> <p><i>Being: USD12,040 ÷ USD1,347,167</i></p>
OTC	Over-The-Counter
P/E	Price-to-earnings
PET	Polyethylene terephthalate

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

GLOSSARY AND ALTERNATIVE PERFORMANCE MEASURES (continued)

PRI	Principles of Responsible Investing
Private Equity	This consists of investments in private companies, structured investments and bonds with privately negotiated terms.
PTO	Public tender offer
PwC CI	PricewaterhouseCoopers CI LLP
q-o-q	Quarter-on-quarter
ROE	Return on equity
SCC	State Securities Commission of Vietnam
Share Price Total Return	A measure of the investment return to shareholders, taking account of the change in share price over the period in question and assuming that any dividends paid in the period are reinvested at the prevailing share price at the time that the shares begin to trade ex-dividend. Share price total returns are calculated by Bloomberg or a recognised independent provider of market statistics
SID	Senior Independent Director
UK Companies Act	Companies Act 2006
UK Code	The UK Corporate Governance Code issued in July 2018
UPCoM	UPCoM listing of the Hanoi Stock Exchange
USD	United States Dollar.
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