Vietnam Enterprise Investments Limited

Interim Report 2018

DRAGON CAPITAL

Contents

Chairman's Statement

Dear Shareholders

Building on the positive results of 2017, Vietnam's economy in the first half of 2018 grew robustly across all major indicators. As such, GDP growth reached 7.1%, the highest growth rate in eight years. The country's Purchasing Managers' Index ended June at 55.7, the highest level since March 2011, thanks to acceleration of output and new orders. Additionally, consumption continued to gather pace with the Consumer Confidence Index reaching a 10-year high of 124 in the first quarter of 2018. This positive momentum was further compounded as the country's trade balance posted a positive reading of US$2.7 billion in the first half of the year, with exports growing 16% to US$113.9 billion and imports increasing 10% to US$111.2 billion.

However, rising uncertainty in the global economy, driven by trade tensions, has impacted emerging markets in general, whilst global issues have directly affected Vietnam's solid fundamentals on both macro and micro levels. The stock market increased strongly in the first three months in 2018 and reached the Vietnam Index ("VN Index")'s highest level for the last 11 years at 1,204.3 in early April, before undergoing a significant correction and closed June at 960.8, down by 2.4% over the reporting period due to increased concerns about Vietnam's outlook given trade tensions between the US and China. We see an opportunity arising from this softening in the market that our differentiated proposition can leverage. This is evidenced by several factors. The first of which is continued growth in Vietnam's total equity market capitalisation, which has increased from US$155 billion at beginning of the financial year to US$178 billion by the end of June 2018. Further to this we are seeing an influx of interest from large foreign investors whose attention is being drawn by new listings and improved liquidity. Another attraction has been constant market development. These include the derivatives market with the VN30 Index Futures, which has seen the daily traded value increase from just a few million US Dollars when first introduced in July 2017 to almost US$600 million by the end of June. We are also expecting covered warrants to be introduced in the fourth quarter of 2018.

Within this volatile geopolitical landscape Vietnam Enterprise Investments Limited ("VEIL", or the "Fund") beat its benchmark VN Index in the first five months by 2.0% before trailing the VN Index in June, resulting in VEIL concluding the period 1.0% behind the VN Index. The result was mainly due to a correction in banking and mid-cap property companies, after these two sectors had risen the most during the first four months of the year. The Fund's performance was also impacted by its underweight holding in some of the large property stocks which we chose not to hold due to high valuations throughout the reporting period. However, after the recent market pullback, valuations have come down to a more reasonable level, creating good buying opportunities.

Our Top 60 companies are expected to deliver 28% EPS growth on just 14x forward earnings in 2018, well below regional peers such as Thailand, the Philippines, Malaysia and Indonesia. As a result, this offers investors very good downside protection amidst ongoing geopolitical turbulence. Additionally, within this context, VEIL implemented a share buy-back programme in June. We believe that this presents the Fund with a compelling opportunity, and that there is significant fundamental value yet to be unlocked.

Despite uncertainties in the global economy, we remain encouraged by the outlook for Vietnam. This is supported by the knowledge that Vietnam's economic outlook remains positive with sustainable growth expected for the remainder of the year and beyond. GDP growth for the whole year is expected to be 7.2%. Inflation is still under control at around 4.0%. Trade tensions have indirectly impacted the Dong currency via a weakened Chinese Yuan and sentiment, but we expect the Dong to depreciate by a maximum of around 2.5% in 2018, which would still outperform other regional currencies. In this context, VEIL is very well positioned to benefit from Vietnam's long-term growth and the country's developing stock market, delivering attractive returns for Shareholders.

Regarding supervisory practices, the Fund continues to review and evolve its governance policies to maintain best-practice standards. In line with this stated ambition the Board and I were very pleased to welcome Ms Vi Le Peterson as an independent non-executive director with effect from 24 April 2018. Her brief biography can be found on page 11.

Further evidence of the Board's commitment to maintaining good governance practices was illustrated during the half as the Audit Committee was expanded to become the Audit and Risk Committee and the Management Engagement, Nomination and Remuneration Committee was split into a Management Engagement Committee and a separate Nomination and Remuneration Committee. This action was undertaken following an

Chairman's Statement (Continued)

independent evaluation and review and become effective from 1 July 2018.

A detailed description of the principal risks and uncertainties faced by VEIL are set out on pages 62 to 72 of the Annual Report for the year ended 31 December 2017. The Board has carried out a robust assessment of the principal risks facing VEIL, including those that would threaten its business model, future performance, solvency or liquidity. I am pleased to say that the Board has not identified any new principal risks and uncertainties that will impact the remaining six months of the year.

We look forward to the second half of the year and are confident in our ability to deliver attractive returns for Shareholders. I would I like to thank all of you for your ongoing support.

Wolfgang Bertelsmeier
Chairman
Vietnam Enterprise Investments Limited
26 September 2018

Investment Manager's Report

Macro Economy

GDP Growth Hits New High in the First Half of 2018 Despite Softening in the Second Quarter

Vietnam's GDP growth softened to 6.8% in the second quarter of 2018 from 7.5% in the first quarter, thus closing the first half with a growth rate of 7.1%, the highest first-half pace in eight years. Most major sectors continued to enjoy stronger growth with the notable exception of mining which continued to contract.

Among the three major sectors, the industrial & construction sector grew at the highest rate at 9.1%, driven by manufacturing (+13.0%). This correlates with the Purchasing Managers' Index ("PMI"), which ended June at 55.7, the highest level since March 2011, thanks to the acceleration of output and new orders. Foreign manufacturers played an essential role in bolstering manufacturing, and the outlook remains favourable given better-than-expected Foreign Direct Investment ("FDI") inflows of US$8.4 billion (+8.4%) in the first half of 2018. Construction grew at 7.9%, slightly lower than the 8.5% delivered over the same period last year, amid slower credit growth. The only drag in this main sector was mining, which saw its output fall 1.3% in the first half of 2018 against a sharp contraction of 7.8% in the first half of 2017, weighed down by stagnant oil production (-5.7%) despite a higher global oil price.

One important indicator for continuing strong manufacturing output in the second half of 2018 is the multi-year low inventory ratio of 63.4% in June compared to 66% in the previous two years. Given the strong growth in new orders and output, the low inventory ratio implies production will have to increase soon.

The service sector kept up its high growth at 6.9%, the best result in seven years. Within this, healthy consumer demand helped wholesale and retail services to grow 8.2% year-on-year. In addition, during the period Vietnam welcomed 7.9m international visitors, an increase of 27.2% on the previous year, contributing further to the sector's growth.

Agriculture grew by 3.9% in the first half, led by fisheries (+6.4%). Despite the US setting higher anti-dumping rates on Vietnam's pangasius fish, Vietnam was able to export to other markets, including China and ASEAN countries. Better weather and higher rice prices also assisted rice production during the period.

Any concerns over the slowdown in growth during the second quarter of the year have largely been off-set by the overall economic performance which has delivered the best numbers in many years. In addition, it is worth noting that the first quarter growth number was distorted by FDI in the manufacturing sector.

Along with GDP Growth, Other Economic Indicators Performed Well

Vietnam's PMI reached 55.7 in June, rising from 53.9 in May. Vietnam has now experienced 31 straight months with the PMI above 50. June's PMI was just below the record high recorded in March 2011 and beat that of several other ASEAN countries.

Nielson reported that Vietnam's Consumer Confidence jumped nine points to hit 124 in the first quarter, a record high. This ranks Vietnamese consumers as the fourth most optimistic globally after India, the Philippines and Indonesia.

Indeed, domestic factors continued to underpin the country's growth momentum. External risks however, are rising and threaten the growth outlook. Trade tensions between the US and China have the potential to negatively affect Vietnam's exports. Rising inflation and a weaker currency meanwhile, could dampen consumer sentiment.

Inflation Accelerated on Rising Pork and Oil Prices, But Remains Manageable

Headline inflation climbed 0.6% month-on-month to 4.7% in June. At the end of the first half of 2018, the Consumer Price Index ("CPI") had risen 2.2% year-to-date, equivalent of an average CPI increase of 3.2% year-on-year, as compared to 4.1% in the first half of 2017.

Food & foodstuffs, transportation and accommodation & construction materials registered the highest increases. Food & foodstuff prices rose 1.1% month-on-month in June driven by increases in the price of pork and rice. Meanwhile, the upward trend in the price of oil globally helped to push the transportation sub-index up 1.0% month-on-month. Higher demand for electricity and water during the hot season contributed to a rise in accommodation & construction material prices of 0.7% month-on-month.

The surge in headline inflation in June was also partially due to the low base of only 2.5% in June 2017. For that reason, we look at core inflation, which remained benign at 1.4% year-on-year. Looking ahead, we do not expect to see further sharp increases in the price of pork and oil. However, uncertainty in commodity prices and currency depreciation could cause inflation to exceed our 2018 target of 4%. In the Government's monthly cabinet meeting, the Prime Minister

Investment Manager's Report (Continued)
Macro Economy (Continued)

indicated that there would be no increase in healthcare and education costs if inflation remained above its target of 4%. This flexibility will give room to manage inflation going forward.

Less Accommodative Monetary Policy, But Lending Rates Stable

Inflation remains unconnected to capital investment or high credit growth. Banks' total credit capacity grew 6.4% year-to-date in the first half of 2018, lower than the 7.5% over the same period last year. Total deposits meanwhile, grew at a faster pace rising 7.8% in the year-to-date. As such, banks' pure loan-to-deposit ratio (LDR) fell to 93.9% in June, down from 95.2% at the end of 2017.

To absorb excess cash from banks, in June the State Bank of Vietnam ("SBV") began to issue CB-bills again, with a total gross issuance of VND150 trillion, or US$6.5 billion. The SBV also extended the tenor of CB-bills to 28 and 91 days from only seven days previously.

After a fantastic run in the last 18 months, Government bond yields are moving upwards, as anticipated. Lending rates, however, have remained stable at an average of 9.8% over the last three years despite the downturn in bond yields. It is likely that bond yields will continue to move up from their low to more normalised levels whilst lending rates remain stable with small upward adjustments.

Political Landscape and Currency: A More Volatile Year

Trade Surplus Narrows in June, But Exports Remain Buoyant

The first half saw Vietnam post a positive trade balance figure of US$2.7 billion. Exports grew 16% to US$113.9 billion, led by the local sector (+19.9%), with agricultural products such as rice up 44.3% and fruit up 20.9%. Increased commodity prices supported local exporters, helping them outpace FDI companies. Imports increased at the slightly slower rate of 10% to US$111.2 billion, with increased demand for electronic products and machines (+14.3%), textiles (+17.1%), and petroleum products (+38.8%).

The US and the EU remained Vietnam's two largest export markets at US$21.5 billion (+9.2%) and US$20.5 billion (+12.3%) respectively. Exports to China continued to strengthen (US$16.6 billion, +28.0%), driven in large part by mobile phones, electronic products, and fruits and vegetables. On the import side, China and South Korea were the two biggest markets at US$31.1 billion and US$22.5 billion respectively.

While relations between the US and China continue to remain strained, Vietnam and the EU have just agreed the final text of the EU-VN Free Trade Agreement ("FTA"), which is expected to be ratified by 2018. The FTA with Vietnam has been described as the most ambitious deal of its type ever concluded between the EU and a developing country. Not only will it eliminate over 99% of customs duties on goods, it will also open Vietnam's services market to EU companies and strengthen protection of EU investments in the country.

FDI: Topping Out but Still Healthy

FDI disbursement was resilient, expanding 8.4% to US$8.4 billion in the first half of 2018. Newly registered, and additional FDI, amounted to US$16.2 billion (-4.4%), while FDI via the purchase of stocks soared 82.4% to US$4.1 billion. Manufacturing continued to attract foreign investors, accounting for around 39% of total registered FDI. Real estate however, accounted for 27.3% of total registered FDI, mostly due to US$4.1 billion invested by Japanese investors in Hanoi's 'Smart City.'

US-China trade tensions may push FDI players to broaden their China-plus-one strategy further. As a recipient of significant FDI inflows already, Vietnam, remains well-placed for further investment from overseas. The combination of factors that make the labour force so competitive – demographics, social-political stability, gender equality, good primary education, the national work ethic – continues to be unmatched in the region.

Balance of Payments ("BOP") Positive, Foreign Reserves Hit Record High

The BOP recorded a positive balance of US$9.6 billion in the first half of 2018. The current account continued to enjoy a surplus of US$8.2 billion thanks to the trade surplus, while the capital & financial account registered a positive balance of US$8.8 billion due to resilient FDI inflows. As such, foreign reserves hit a record high of US$63.5 billion.

Foreign Debt Remains Minimal

A key concern for investors in emerging countries is often the level of foreign debt particularly if US rates rise and the currency depreciates. Vietnam's peers have been impacted by this in the past. Within the level of foreign debt, the percentage of local currency bonds held by foreigners has been key in managing currency volatility. Foreigners are estimated to hold less than 2% of local currency bonds. The total debt service ratio, or principal and interest payments vs. exports, was 4.2% in 2017, according to the World Bank – the lowest in the region.

Investment Manager's Report (Continued)

Macro Economy (Continued)

Currency

Despite solid economic fundamentals, the Dong has depreciated by 2% against the US dollar. In fact, the weaker Chinese Yuan (-7.0% since the bottom in April 2018) exerted pressure on the Dong. A strong Dong can negatively impact local exports, especially in agriculture, as most of Vietnam's agricultural products are exported to China, Vietnam's largest import market. As such, a significantly weakened Yuan might widen Vietnam's trade deficit with China. The recent depreciation was driven by sentiment, and the SBV is voluntarily depreciating the Dong to remain competitive.

Conclusion

Vietnam's economy should maintain its growth momentum into the second half of 2018 against the backdrop of a stable macro-economic environment. Head winds have increased however, with rising uncertainty surrounding certain external risk factors, threatening the growth and stability outlook. Increased inflation and a weaker Dong might encourage depositors to demand higher deposit rates, thus exerting pressure on interest rates even though liquidity remains good. Rising global trade tensions meanwhile, might have some short-term impact on the country's exports and local production given the country's increased openness.

Investment Manager's Report (Continued)
Stock Market

Market Performance

After surging 22% in the year to 9 April 2018, its all-time high of 1,204, the VN Index underwent a deep correction, closing at 961 by the end of June. The drop removed all previous gains since the start of the year and in total USD return ("TR$") the VN Index actually fell 2.5% in the first six months of 2018. Average daily trading value jumped 79% year-on-year to US$302 million. Foreign investors were particularly active, injecting a total inflow of US$1,565 million in the first half of 2018, already far in excess of the US$1,154 million inflow for all of 2017.

IPO & Market Deepening

Vietnam's total equity market capitalisation grew from US$155 billion at the beginning of the financial year to US$178 billion by the end of June 2018. The combination of a rising market cap due to new listings and improved liquidity drew the attention of bigger international players, whose investments exaggerated the market's move, both on the way up and on the way down. In fact, the recent pullback 'coincidentally' synchronised with the worldwide EM equity outflows since late April.

Although the 20% correction from the market peak was quite deep, it was surprising that widespread forced selling did not occur. A much lower ratio of margin lending as a percentage of market capitalisation this year compared to 2016 and 2017 suggests that retail investors have become more risk-averse as the VN Index continues to advance.

Building on the strong momentum of last year, the market saw headline-grabbing IPO listings in the first six months of 2018 from both the private sector, i.e. Vinhomes and Techcombank, as well as SOE divestments, i.e. Sabeco, Binh Son Refinery, Petro Vietnam Power and Petro Vietnam Oil. Participants in these IPOs are currently bearing significant losses as the deals were done during a period of exuberance when valuations were stretched. This was partly due to an increased participation in IPOs from retail investors, who bid up prices after seeing huge gains reaped by institutions in previous deals.

The good news is that after the pullback, the market's valuation has come down to a more reasonable level and it is now a buyer's market, especially for stocks that suffered collateral damage, such as PV Power. In addition, the coming IPOs are unlikely to attract as many buyers as before, so that will be a good investment space to watch closely.

Market Development

Futures with a T-0 settlement period have proved to be superior products as daily traded value of the derivatives market increased from just a few million USD when first introduced in July 2017 to almost US$600 million by the end of June 2018. Given the superiority in settlement and liquidity compared to the traditional equity market, retail investors are partially shifting their trading into futures, which may impact the equity market in the short term. Over the longer term, however, this should lead to regulations that enable the stock market to also have a T-0 trading period by 2019. In addition, covered warrants will be available for retail investors by the end of 2018.

Outlook

Our Top 60 companies are expected to deliver 28% EPS growth on just 14x forward earnings in 2018, a market PER well below regional peers such as Thailand, the Philippines, Malaysia and Indonesia. This should offer investors very good downside protection during this period of heightened global uncertainty.

*Dragon Capital's Top 60 stocks are comprised of those which meet the following criteria; (1) large market cap which represents Vietnam market and our portfolios; (2) forecastable earnings; and (3) investable with decent liquidity and corporate governance. Our Top 60 components are reviewed on quarterly basis to reflect new listings to the market.

Investment Manager's Report (Continued)
VEIL

Fund Performance

Ongoing political volatility impacted the VN Index and VEIL, with both falling 2.5% and 3.6% respectively during the first six months of 2018 compared to the prior year. The banking sector continued to be a source of strength for VEIL as both of the fund's top bank holdings ended the half in positivity, with Asia Commercial Bank ("ACB") rising 5.0% whilst Military Bank ("MBB") rose 4.3%. Another sector that contributed well to VEIL's performance was real estate, with strong gains achieved by Dat Xanh Group ("DXG") up 40.8% and Khang Dien House ("KDH") climbing 11.9%. On a relative basis, however, the real estate sector had the greatest impact on VEIL as Vingroup ("VIC"), which has now become the biggest stock in the VN Index, surged 66.5% following the successful IPO of its property arm, Vinhomes ("VHM"). The transportation sector also struggled in the first half of the year with Airport Corporation of Vietnam ("ACV") down 16.6% whilst Vietjet Air ("VJC") was up 15.9%).

Additionally, Vietnam's biggest retailer Mobile World ("MWG") fell 12.7% as investors showed concern following a slow-down of the business' traditional verticals. Similarly, Vinamilk ("VNM") fell 18.7% on disappointing first quarter net earnings, down 8.6% year-on-year.

Attribution Analysis

After a great 2017, banking continued to drive the market into the early part of 2018 with good performances across most bank stocks. However, as the market turned, the divergence in performance within the sector became more apparent. VEIL's strategic overweight holding in the sector's good banks paid off well as the Fund's bank holdings performed better than the overall market, with the sector's top performers ACB (+5.0%) and MBB (+4.3%).

ACB's core business continued to grow very well with its pre-provisioning operating profit ("PPOP") surging 61.4% year-on-year. As the bank had completed its bad debt clean-up in 2017, the fall in provision and boosted pre-tax profit ("PBT") rose a staggering 149.6% year-on-year.

MBB continued to improve its profitability and efficiency after the change in CEO last year. The new retail-focus strategy has been a success, helping expand the bank's Net Interest Margin ("NIM") to 4.2% by the end of the first half of 2018 from 4.0% at the end of 2017. Additionally, net fees income also rose a remarkable 47.8% which help drive overall PBT up 51.7% year-on-year.

Property had mixed performances in the first half though overall the sector delivered a positive contribution to both the fund and the Index. Specifically for VEIL, this contribution was led by its two top holdings KDH (+11.9%) and DXG (+40.8%).

Since the start of the property sector recovery, KDH has established itself as a top-tiered developer, pioneering gated town-house communities. The company has since had great success with its high-rise projects. At the beginning of 2018, KDH completed the acquisition of BCI, a company with over 500ha land-bank in Ho Chi Minh City. The move was greeted with optimisms from investors and should provide KDH with enough land-bank for its development over the next 4-5 years.

On the other hand, DXG delivered outstanding results in the first half of 2018 with net sales growing 121.5%. Revenues from both brokerage, which remained the biggest in Vietnam, and project development posted exceptional results, growing at 161% and 51% year-on-year respectively. As a result, the company recorded net earnings after Minority interest growth of 113.0% year-on-year.

Nevertheless, VEIL's property holdings still trailed the Index due to the outstanding performance of VIC (+66.5%), a stock that VEIL does not hold. The company has now become the biggest stock in the VN Index, replacing VNM. The exceptional rally of VIC can be attributed to the market's anticipation of VHM's IPO, a key top and bottom line contributor. The IPO was the largest ever in Vietnam and raised US$1.35 billion for VIC to fund a range of future developments. Those future developments, however, contain some notable risks. Chiefly, the US$3.5 billion investment into a brand-new automobile production facility under a newly established brand-name, Vinfast.

In transportation, having reached their highest point at the start of the year, ACV's shares struggled and ended the half down 16.6% following negative news flow. Whilst, these issues are unlikely to have a significant impact on business operations, which continued to grow well, they have had some impact on investor sentiment. This is especially true considering that ACV's expected listing is likely to be delayed as a result.

However, contrary to ACV's performance, VJC delivered a 15.9% gain in the first half of 2018 thanks to several catalysts. These include its inclusion into VN30 Index in January, strong first half financial results

Investment Manager's Report (Continued)
VEIL (Continued)

which saw top line and bottom lines growth of 29% and 16% respectively, air passenger growth of 34%, and the proposal from the Ministry of Transportation to the Government requesting an increase in Foreign Ownership Limit ("FOL") of Airline operators such as VJC from 30% to 49%.

VEIL's second biggest holding MWG had a challenging first half to 2018, falling 12.7%. Investors' concern had stemmed from a slowdown in MWG's traditional verticals of mobile and consumer electronics distribution. At the same time, there was speculative media coverage reporting on the expansion of MWG's new growth driver, the Green Grocery store-chain, which is targeted at the fragmented grocery market. However, toward the end of the first half, investor confidence rallied after the company posted five-month revenue up 43.0% and earnings up 43.9% year-on-year. There were also positive signs in the expansion of Green Groceries as it delivered revenue of VND300 billion per month in May, more than three times compared to last year.

Finally, VNM struggled during the first half, closing down 18.7% as the euphoria around the Jardine acquisition subsided. Both groups, Jardine and Fraser & Neave, continued to register buying interest, however, this year hasn't seen the same purchasing momentum as last year. This combined with lower than expected first quarter numbers led to a rather disappointing price performance.

Outlook

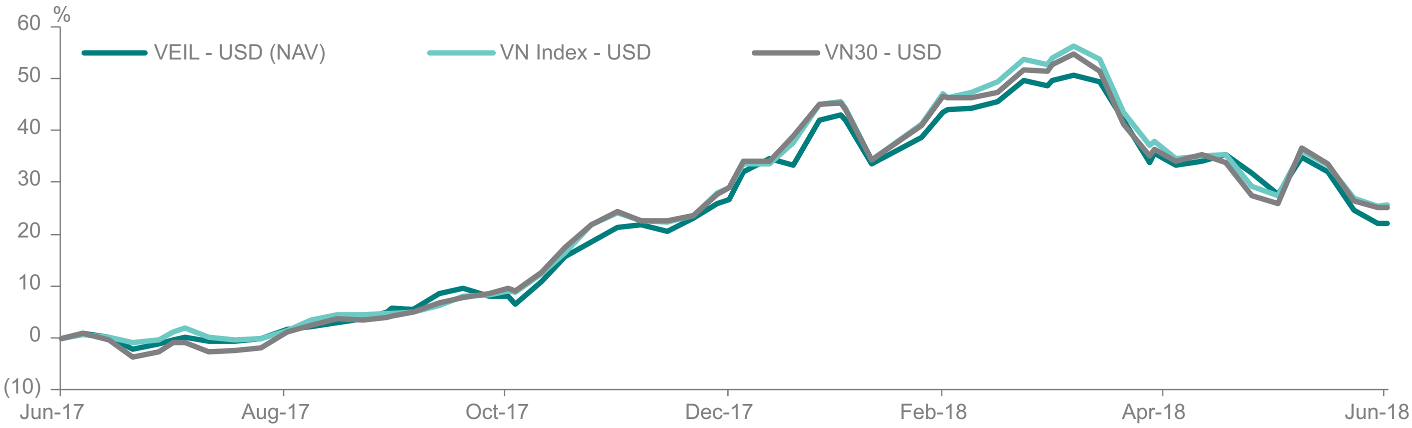
Regarding privatisation and IPOs, something VEIL has strongly participated in over the last few years, there has been a slowdown in the pipeline following a flurry of deals at the start of the year. We expect that once the market stabilises, more deals will come to market towards the year end. VEIL plans to continue playing an active role in this space, capturing value through its strong degree of valuation-for-growth disciplines when it comes to pricing.

Overall, we have strong confidence in the market for the second half of the year as valuations have become very attractive following the correction. According to our forecast, our Top 60 is expected to deliver 28% EPS growth on just 14 times forward PER. This offers a great opportunity for funds such as VEIL, which employs a deep fundamental analysis and research to stock selection. Additionally, we work closely with our investees to unlock accretive value for shareholders through implementing and executing value-additive measures such as a comprehensive IR strategy and ESG awareness.

Vu Huu Dien
Portfolio Manager
Vietnam Enterprise Investments Limited
26 September 2018

Investment Manager's Report (Continued)
VEIL (Continued)

VEIL performance



Source: Dragon Capital, Bloomberg

Asset allocation by asset class[1]

	30 June 2018	30 June 2017
	%	%
Equities	97.4	96.8
OTC Equities	5.6	3.6
Cash[2]	2.4	1.2
Loans	(5.4)	(1.6)
	100.0	100.0

Asset allocation by sector[1]

	30 June 2018	30 June 2017
	%	%
Real Estate & Construction	26.0	16.7
Banks	22.9	16.5
Foods & Beverages	10.3	15.3
Retail	9.5	7.6
Energy	6.6	6.0
Materials & Resources	6.2	10.8
Transportation	5.7	8.0
Diversified Financials	4.6	4.5
Others	3.8	5.7
Software & Services	3.1	5.8
Consumer Durables	2.9	1.7
Cash[2]	2.4	1.2
Pharmaceuticals	1.4	1.8
Loans	(5.4)	(1.6)
	100.0	100.0

[1] For a full portfolio listing, please see Note 6 to the Reviewed Condensed Interim Financial Statements.
[2] Cash includes cash and cash equivalents, receivables and payables.

Investment Manager's Report (Continued)

VEIL (Continued)

Top 10 holdings

Company	Sector	Market value 2018	NAV	Total return 2018
		US$	%	%
Mobile World	Retail	117,308,450	7.85	(12.7)
ACB	Banks	107,397,983	7.19	5.0
Sabeco	Foods & Beverages	87,481,055	5.85	(9.3)
Khang Dien House	Real Estate & Construction	79,876,231	5.34	11.9
Vinhomes	Real Estate & Construction	77,694,134	5.20	0.9
Military Bank	Banks	77,194,579	5.16	4.3
Vinamilk	Foods & Beverages	66,326,908	4.44	(18.7)
ACV	Transportation	51,838,527	3.47	(16.6)
Hoa Phat Group	Materials & Resources	48,083,494	3.22	13.5
PV Gas	Energy	42,287,030	2.83	(8.1)

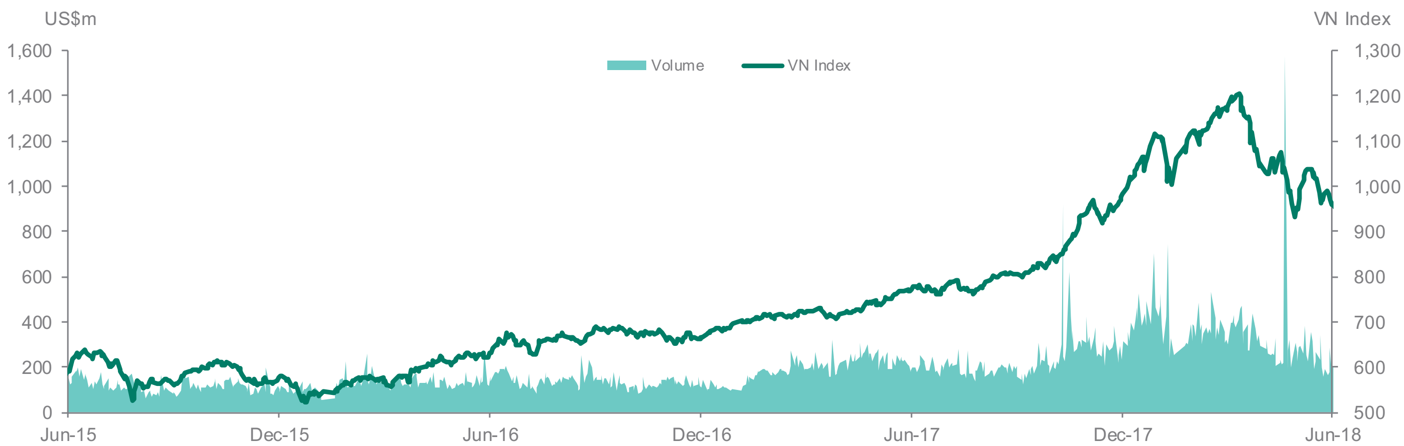
Source: Dragon Capital

Major sector return and contribution

Sector	Portfolio return	VN Index return	Portfolio contribution
	%	%	%
Banks	3.8	(1.0)	1.1
Real Estate & Construction	6.1	24.3	0.5
Food and Beverage	(6.5)	(14.9)	(0.6)
Retailing	(6.2)	(13.4)	(0.6)
Materials & Resources	(16.4)	(4.0)	(0.9)
Diversified Financials	(2.9)	(1.7)	(0.1)
Software & Services	(11.3)	(15.0)	(0.2)
Transportation	(2.2)	4.2	0.1
Capital Goods	0.3	(48.2)	(0.1)
Pharmaceuticals	(9.4)	(15.3)	(0.1)
Energy	(7.8)	(12.2)	(0.9)
Consumer Durables & Apparel	(0.3)	(6.2)	(0.2)

Source: Dragon Capital, Bloomberg

VN Index information (Rolling 3-year)



Source: Dragon Capital, Bloomberg

Board Of Directors

Chairman & Independent Non-Executive Director (Appointed July 2009)

Wolfgang Bertelsmeier

Educated at Frankfurt and Poitiers Universities, Wolfgang worked in various financial institutions before joining the World Bank's IFC, serving in Southeast Asian and other emerging markets. He sits on the boards of companies in Europe and Africa.

Senior Independent Non-Executive Director (Appointed January 2016)

Stanley Chou

Stanley Chou is managing director of investment advisory companies Lufin Asia Pacific Ltd and SCA International Ltd. He also helped found Victory Fund, a Luxembourg-based equity fund. He has been investing in Vietnam since 2005.

Independent Non-Executive Director (Appointed March 2011)

Derek Loh

A director with TSMP Law Corporation Singapore, Derek practices construction and engineering law. He also sits on the boards of various Singapore-listed companies including Vibrant Group Ltd where he chairs the Remuneration and Nomination Committees.

Independent Non-Executive Director (Appointed July 2014)

Gordon Lawson

Educated at Birmingham University, Gordon worked with Salomon Brothers/Citigroup, London before founding Pendragon in 1996. He later became Chairman of Indochina Capital Vietnam plc. He is an advisor and director of various companies.

Independent Non-Executive Director (Appointed April 2018)

Vi Le Peterson

Vi is an international business consultant based in Melbourne Australia, advising multinational corporations in Thailand and Vietnam. She serves on various company, not-for-profit and university boards. She is a former banking executive and Australian Senior Trade Commissioner to Vietnam.

Non-Executive Director (Appointed May 1995)

Dominic Scriven

UK-born Dominic founded Dragon Capital in 1994. Fluent in Vietnamese, he promotes the capital markets of Vietnam internationally, and is a director of various Vietnamese public companies. His interests range from Vietnamese art to eliminating the illegal trade in wildlife.

Name Abbreviations

In this Reviewed Condensed Interim Financial Statements for the six-month period ended 30 June 2018, entities or securities are referred to by their short names as follows:

Full name by sector	Short name
Automobiles	
Vietnam Engine and Agricultural Machinery Corporation	VEAM
Banks	
Asia Commercial Joint Stock Bank	ACB
Ho Chi Minh City Development Joint Stock Commercial Bank	HDB
Joint Stock Commercial Bank for Foreign Trade of Vietnam	VCB
Military Commercial Joint Stock Bank	MBB
Vietnam Prosperity Joint Stock Commercial Bank	VPB
Vietnam Technological and Commercial Joint Stock Bank	TCB
Capital Goods	
Power Construction Joint Stock Company No. 1	PC1
Consumer Durables	
Dien Quang Lamp Joint Stock Company	DQC
Phu Nhuan Jewelry Joint Stock Company	PNJ
Vietnam National Textile and Garment Group	VGT
Diversified Financials	
Ho Chi Minh City Infrastructure Corporation	CII
Masan Group Corporation	MSN
Saigon Securities Incorporation	SSI
SAM Holdings Corporation	SAM
Vietcapital Securities Joint Stock Company	VCI
Energy	
Binh Son Refining and Petrochemical Joint Stock Company	BSR
PetroVietnam Gas Corporation	GAS
PetroVietnam Oil Corporation	OIL
PetroVietnam Power Corporation	POW
Foods & Beverages	
Saigon Beer Alcohol Beverage Corporation	SAB
Vietnam Dairy Products Joint Stock Company	VNM
Funds	
Vietnam Securities Investment Fund - VF2	VFMVF2

Name Abbreviations (Continued)

Full name by sector	Short name
Materials & Resources	
Besra Gold	Besra Gold
Hoa Phat Group Joint Stock Company	HPG
Hoa Sen Group	HSG
Nam Kim Steel Joint Stock Company	NKG
Viglacera Corporation	VGC
Pharmaceuticals	
Imexpharm Pharmaceutical Joint Stock Company	IMP
Real Estate & Construction	
Binh Chanh Construction Investment Joint Stock Company	BCI
Century Land Joint Stock Company	Century Land
Cotec Construction Joint Stock Company	CTD
Dat Xanh Real Estate Service & Construction Corporation	DXG
Development Investment Construction Joint Stock Company	DIG
Ha Do Group Joint Stock Company	HDG
Hai Phat Investment Joint Stock Company	HPI
Investment and Industrial Development Corporation	BCM
Khang Dien House Trading & Investment Joint Stock Company	KDH
Kinh Bac City Development Share Holding Corporation	KBC
Nam Bay Bay Investment Corporation	NBB
Novaland Group	NVL
Phat Dat Real Estate Development Corporation	PDR
Ricons Construction Investment Joint Stock Company	Ricons
Song Da Urban & Industrial Zone Investment and Development Joint Stock Company	SJS
Tin Nghia Corporation	Tin Nghia
Vietnam Urban and Industrial Zone Development Investment Corporation	IDC
Vincom Retail Joint Stock Company	VRE
Vingroup Joint Stock Company	VIC
Vinhome Joint Stock Company	VHM
Retail	
FPT Digital Retail Joint Stock Company	FRT
Mobile World Investment Corporation	MWG
Software & Services	
FPT Corporation	FPT
Vietnam Electrical Equipment Joint Stock Corporation	GEX
Transportation	
Airport Corporation of Vietnam	ACV
Vietjet Aviation Joint Stock Company	VJC

Report of the Board of Directors

The Directors of Vietnam Enterprise Investments Limited (the "Company") present their report and the reviewed condensed interim financial statements of the Company for the six-month period ended 30 June 2018.

Principal Activity

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

Results and Dividends

The Company's profit for the six-month period ended 30 June 2018 and its financial position at that date are set out in the attached condensed interim financial statements. The Directors have taken the decision not to pay a dividend in respect of the six-month period ended 30 June 2018 (six-month period ended 30 June 2017: Nil).

Share Capital

Details of movements in the Company's share capital during the period are presented in Note 9. As at 30 June 2018, the Company had 219,579,878 Ordinary Shares and 1,000 Management Shares outstanding (31 December 2017: 220,125,680 Ordinary Shares and 1,000 Management Shares).

Directors

The Directors of the Company during the period were:

Wolfgang Bertelsmeier	Chairman & Independent Non-Executive Director
Stanley Chou	Senior Independent Non-Executive Director
Derek Loh	Independent Non-Executive Director
Gordon Lawson	Independent Non-Executive Director
Vi Le Peterson	Independent Non-Executive Director (from 24 April 2018)
Dominic Scriven O.B.E.	Non-Executive Director

In accordance with Article 91 of the Restated and Amended Memorandum and Articles of Association (the "Articles"), the Independent and Non-independent Non-executive Directors are required to submit themselves for re-election at the next occurring Annual General Meeting ("AGM"). All the Independent Non-executive Directors were duly re-appointed at the AGM held on 4 June 2018 following the expiry of their respective term. Dominic Scriven also submitted himself for re-election, even though the Articles do not explicitly require him to stand for election, and was duly re-appointed. Vi Le Peterson was newly appointed as the Independent Non-executive Director on 24 April 2018.

Directors' Rights to Acquire Shares or Debentures

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

Directors' Interests in Shares

Dominic Scriven O.B.E., the Non-executive Director of the Company, is a beneficial shareholder of the Company, holding 36,423 Ordinary Shares of the Company as at 30 June 2018 (31 December 2017: Nil).

Dominic Scriven O.B.E. also has indirect interests in shares of the Company as he is a key shareholder of Dragon Capital Group Limited, the parent company of Dragon Capital Limited which holds the Management Shares of the Company. Dragon Capital Group Limited is also the ultimate parent company of Enterprise Investment Management Limited, the Investment Manager of the Company and Dragon Capital Markets Limited. As at 30 June 2018, Dragon Capital Markets Limited beneficially held 3,700,359 Ordinary Shares of the Company for investment and proprietary trading purposes (31 December 2017: 3,700,359 Ordinary Shares).

Gordon Lawson, an Independent Non-executive Director of the Company, is a beneficial shareholder of the Company, holding 25,000 Ordinary Shares of the Company as at 30 June 2018 (31 December 2017: 25,000 Ordinary Shares).

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

Report of the Board of Directors (Continued)

Directors' Interests in Contracts

Dominic Scriven O.B.E. has indirect interests in the investment management agreement between the Company and Enterprise Investment Management Limited, the Investment Manager of the Company where he is a Director. There were no further contracts of significance in relation to the Company's business in which a Director of the Company had a material interest, whether directly or indirectly, at the end of the period or at any time during the period.

Substantial Shareholders

As at 30 June 2018, the Company's register of shareholders showed that the following shareholders held more than a 10% interest in the issued Ordinary Share capital of the Company.

Registered shareholders	Number of Ordinary Shares held	% of total Ordinary Shares in issue
Computershare Investor Services PLC (*)	220,920,746	100%

(*) Computershare Investor Services PLC was appointed to act as depositary in respect of a facility for the issue of depositary interest representing the Company's Ordinary Shares.

Auditors

KPMG Limited, Vietnam

Directors' Responsibility in Respect of the Condensed Interim Financial Statements

The Board of Directors is responsible for ensuring that the condensed interim financial statements of the Company are properly drawn up so as to give a true and fair view of the financial position of the Company as at 30 June 2018 and of its financial performance and its cash flows for the period then ended. When preparing these condensed interim financial statements, the Board of Directors is required to:

- adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- comply with the requirements of IAS34 Interim Financial Reporting or, if there have been any departures in the interest of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the condensed interim financial statements;
- maintain adequate accounting records and an effective system of internal controls;
- prepare the condensed interim financial statements on a going concern basis unless it is inappropriate to assume that the Company will continue its operations in the foreseeable future; and
- control and direct effectively the Company in all material decisions affecting its operations and performance and ascertain that such decisions and/or instructions have been properly reflected in the condensed interim financial statements.

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

The important events that have occurred during the six months ended 30 June 2018 are described in the Chairman's Statement and the Investment Manager's Report. A detailed description of the principal risks and uncertainties faced by the Company are set out in the Annual Report for the year ended 31 December 2017, which is available on the Company's website www.veil-dragoncapital.com. The Board of Directors has not identified any new principal risks and uncertainties that will impact the remaining six months of the year.

Report of the Board of Directors (Continued)

Directors' Responsibility in Respect of the Condensed Interim Financial Statements (Continued)

The Board of Directors confirms to the best of their knowledge that:

- the condensed financial statements in the interim report have been prepared in accordance with IAS34 Interim Financial Reporting and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required by the United Kingdom Financial Conduct Authority's Disclosure Guidance and Transparency Rules ("DTR") 4.2.4R;
- the condensed interim financial statements, the Chairman's Statement and the Investment Manager's Report provide a fair view of the information required by DTR 4.2.7R, being an indication of important events that have occurred during the period and their impact on these condensed interim financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
- the condensed interim financial statements provide a fair view of the information required by DTR 4.2.8R, being related party transactions that have taken place in the six-month period ended 30 June 2018 and that have materially affected the financial position or performance of the Company during that period.

The Board of Directors confirms that they have complied with the above requirements in preparing the condensed interim financial statements.

Approval of the Condensed Interim Financial Statements

The Board of Directors hereby approves the accompanying condensed interim financial statements which give a true and fair view of the financial position of the Company as of 30 June 2018, and of its financial performance and its cash flows for the period then ended in accordance with IFRS.

Signed on behalf of the Board by:

Wolfgang Berterlsmeier
Chairman
26 September 2018

Signed on behalf of the Audit and Risk Committee by:

Stanley Chou
Chairman of the Audit and Risk Committee
26 September 2018

Independent Auditors' Report on Review of Condensed Interim Financial Statements

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INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

To the Shareholders
Vietnam Enterprise Investments Limited

We have reviewed the accompanying condensed interim financial statements of Vietnam Enterprise Investments Limited ("the Company"), which comprise the statement of financial position as at 30 June 2018, the related statements of comprehensive income, changes in net assets attributable to holders of Ordinary Shares and cash flows for the six-month period then ended, and notes to the condensed interim financial statements ("the condensed interim financial statements") as set out on pages 18 to 37. Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements as at 30 June 2018 are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

On behalf of KPMG Limited's Branch in Ho Chi Minh City
Vietnam
Review Report No.: 18-01-385

CÔNG TY TNHH KPMG

Tran Dinh Vinh
Deputy General Director

26 September 2018

KPMG Limited Branch in Ho Chi Minh City, a branch of KPMG Limited, a Vietnamese one member limited liability company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statement of Financial Position
As at 30 June 2018

	Note	30 June 2018	31 December 2017	Change
		US$	US$	in %
Current assets:				
Financial assets at fair value through profit or loss	6	1,557,541,978	1,602,661,219	
Other receivables		1,200,726	1,134,004	
Cash and cash equivalents	7	19,977,016	32,443,551	
		1,578,719,720	**1,636,238,774**	**(3.52)**
Current liabilities:				
Borrowings	8	80,000,000	80,000,000	
Accounts payable and accruals		2,962,449	2,961,669	
Balances due to brokers		1,096,615	-	
		84,059,064	**82,961,669**	**1.32**
Net assets		**1,494,660,656**	**1,553,277,105**	**(3.77)**
Equity:				
Issued share capital	9	2,195,808	2,201,266	
Share premium	9	556,891,643	560,096,358	
Retained earnings		935,573,205	990,979,481	
Total equity		**1,494,660,656**	**1,553,277,105**	**(3.77)**
Number of Ordinary Shares in issue	10	219,579,878	220,125,680	
Net asset value per Ordinary Share	**10**	**6.81**	**7.06**	**(3.54)**

Approved by the Board of Directors on 26 September 2018.

Dominic Scriven, OBE
Director
Vietnam Enterprise Investments Limited

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

Statement of Profit or Loss and Other Comprehensive Income
For the six-month period ended 30 June 2018

	Note	Six-month period ended	
		30/6/2018	30/6/2017
		US$	US$
Income:			
Bank interest income		23,402	29,487
Dividend income		4,812,412	3,805,375
Net changes in fair value of financial assets at fair value through profit or loss	6	(146,469,830)	256,556,060
Gains on disposals of investments		107,451,969	9,818,450
Other income		24,962	-
Total income		**(34,157,085)**	**270,209,372**
Expenses:			
Administration fees	11	(693,730)	(586,896)
Custodian fees	11	(513,937)	(339,880)
Directors' fees	11	(64,294)	(82,500)
Management fees	11	(15,944,784)	(10,886,519)
Withholding taxes		(9,376)	(11,350)
Legal and professional fees		(276,726)	(162,129)
Brokerage fee and structuring fee		(1,583,900)	(24,543)
Interest expenses		(1,553,565)	(522,904)
Other operating expenses		(222,500)	(487,651)
Total expenses		**(20,862,812)**	**(13,104,372)**
Net (loss)/profit before exchange losses		**(55,019,897)**	**257,105,000**
Exchange losses:			
Net foreign exchange losses		(386,379)	(18,282)
(Loss)/profit before tax		**(55,406,276)**	**257,086,708**
Income tax	12	-	-
Net (loss)/profit after tax for the period		**(55,406,276)**	**257,086,708**
Other comprehensive income for the period		-	-
Total comprehensive income for the period		**(55,406,276)**	**257,086,708**
Total comprehensive income for the period attributable to Ordinary Shareholders		**(55,406,276)**	**257,086,708**
Basic (losses)/earnings per Ordinary Share	**13**	**(0.25)**	**1.17**

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

Statement of Changes in Net Assets Attributable to Holders of Ordinary Shares

For the six-month period ended 30 June 2018

	Issued share capital	Share premium	Retained earnings	Total
	US$	US$	US$	US$
Balance at 1 January 2017	2,209,217	563,283,425	409,310,129	974,802,771
Total comprehensive income for the period:				
Net profit for the period	-	-	257,086,708	257,086,708
Transactions with shareholders, recognised directly in equity:				
Repurchase of Ordinary Shares	(7,951)	(3,187,067)	-	(3,195,018)
Balance at 30 June 2017	**2,201,266**	**560,096,358**	**666,396,837**	**1,228,694,461**
Balance at 1 January 2018	2,201,266	560,096,358	990,979,481	1,553,277,105
Total comprehensive income for the period:				
Net loss for the period	-	-	(55,406,276)	(55,406,276)
Transactions with shareholders, recognised directly in equity:				
Repurchase of Ordinary Shares	(5,458)	(3,204,715)	-	(3,210,173)
Balance at 30 June 2018	**2,195,808**	**556,891,643**	**935,573,205**	**1,494,660,656**

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

Statement of Cash Flow
For the six-month period ended 30 June 2018

	Note	Six-month period ended	
		30/6/2018	**30/6/2017**
		US$	**US$**
Cash flows from operating activities:			
(Loss)/profit for the period		(55,406,276)	257,086,708
Adjustments for:			
Dividend income		(4,812,412)	(3,805,375)
Bank interest income		(23,402)	(29,487)
Net changes in fair value of financial assets at fair value through profit or loss		146,469,830	(256,556,060)
Gains on disposals of investments		(107,451,969)	(9,818,450)
Other income		(24,962)	-
		(21,249,191)	(13,122,664)
Net cash flow from subsidiaries carried at fair value		88,510,991	4,162,268
Changes in other receivables		(58,614)	745,152
Changes in balances due to brokers and accounts payable and accruals		1,097,395	3,397,519
		68,300,581	(4,817,725)
Proceeds from disposals of investments		186,968,902	28,152,841
Purchases of investments		(269,378,513)	(19,092,321)
Bank interest income received		23,402	29,487
Dividends received		4,804,304	4,001,294
Other income received		24,962	-
Net cash (used in)/generated from operating activities		**(9,256,362)**	**8,273,576**
Cash flows from financing activities:			
Proceeds from short-term borrowings		-	(20,000,000)
Repurchase of Ordinary Shares		(3,210,173)	(3,195,018)
Net cash used in financing activities		**(3,210,173)**	**(23,195,018)**
Net decrease in cash and cash equivalents		**(12,466,535)**	**(14,921,442)**
Cash and cash equivalents at the beginning of the period		32,443,551	19,837,882
Cash and cash equivalents at the end of the period	7	**19,977,016**	**4,916,440**

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

Notes to the Condensed Interim Financial Statements
For the six-month period ended 30 June 2018

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

1. The Company

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

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

The Company's Ordinary shares have been listed on the Main Market of the London Stock Exchange since 5 July 2016 (until 4 Jul 2016: listed on the Irish Stock Exchange). The Company is established for an unlimited duration.

The Company had the following investments in subsidiaries and joint operation as at 30 June 2018, for the purpose of investment holding:

Subsidiaries	Country of incorporation	Principal activities	% ownership
Grinling International Limited	British Virgin Islands	Investment holding	100%
Wareham Group Limited	British Virgin Islands	Investment holding	100%
Goldchurch Limited	British Virgin Islands	Investment holding	100%
VEIL Holdings Limited	British Virgin Islands	Investment holding	100%
Venner Group Limited	British Virgin Islands	Investment holding	100%
Rickmansworth Limited	British Virgin Islands	Investment holding	100%
Geffen Limited	British Virgin Islands	Investment holding	100%
VEIL Cement Limited	British Virgin Islands	Investment holding	100%
VEIL Estates Limited	British Virgin Islands	Investment holding	100%
VEIL Industries Limited	British Virgin Islands	Investment holding	100%
VEIL Infrastructure Limited	British Virgin Islands	Investment holding	100%
VEIL Paper Limited	British Virgin Islands	Investment holding	100%
Amersham Industries Limited	British Virgin Islands	Investment holding	100%
Balestrand Limited	British Virgin Islands	Investment holding	100%
Asia Reach Investment Limited	British Virgin Islands	Investment holding	100%

Joint operation	Country of incorporation	Principal activities	% ownership
Dragon Financial Holdings Limited	British Virgin Islands	Investment holding	90%

As at 30 June 2018 and 31 December 2017, the Company had no employees.

2. Basis of Preparation

(a) Statement of compliance

The Company's condensed interim financial statements as at and for the six-month period ended 30 June 2018 have been prepared in accordance with IAS 34 *Interim Financial Reporting* and should be read in conjunction with the Company's financial statements as at and for the year ended 31 December 2017.

(b) Basis of measurement

The condensed interim financial statements have been prepared on the historical cost basis, except for financial instruments classified as financial assets at fair value through profit or loss which are measured at fair value.

Notes to the Condensed Interim Financial Statements (Continued)
For the six months ended 30 June 2018

2. Basis of Preparation (Continued)

(c) Functional and presentation currency

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

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

(d) Use of estimates and judgments

The preparation of condensed interim financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were consistent with those that applied to the financial statements as at and for the year ended 31 December 2017.

(e) Going concern

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

3. Summary of Significant Accounting Policies

The accounting policies that have been adopted by the Company in the preparation of these condensed interim financial statements are consistent with those adopted in the preparation of the financial statement as at and for the year ended 31 December 2017, excepted changes that are disclosed in Note 4.

4. Change in Accounting Policies

IFRS 9 *Financial Instruments*

The Company has adopted IFRS 9 *Financial Instruments* issued in July 2014 with a date of initial application of 1 January 2018. This change in accounting policy was applied retrospectively and did not have material impact on the comparative information for prior periods with respect to classification and measurement (including impairment) changes.

The nature and effects of key changes to the Company's accounting policies resulting from its adoption of IFRS 9 are summarised below:

(i) Classification of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL"). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale.

IFRS 9 largely retains the existing requirements in IAS 39 for classification of financial liabilities.

Notes to the Condensed Interim Financial Statements (Continued)
For the six months ended 30 June 2018

4. Change in Accounting Policies (Continued)
The Company classifies its financial assets and financial liabilities into the following categories:

Financial assets at fair value through profit or loss

Designated at fair value through profit or loss – equity investments.

Financial assets at amortised cost

Measured at amortised cost - cash and cash equivalents, balance due from brokers and other receivables.

Financial liabilities at amortised cost

Measured at amortised cost – borrowings, accounts payables and accruals, and balances due to brokers.

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

Financial assets and financial liabilities at fair value through profit or loss are recognised initially at fair value, with transaction costs recognised in profit or loss as incurred. Financial assets at amortised cost and financial liabilities at amortised cost are recognised initially at fair value plus transaction costs that are directly attributable to their acquisition or issue.

(iii) Measurement
Non-derivative financial assets

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Non-derivative financial liability

Non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

(iv) Derecognition
The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised), and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

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

Notes to the Condensed Interim Financial Statements (Continued)
For the six months ended 30 June 2018

4. Change in Accounting Policies (Continued)

(v) Offsetting

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

Income and expenses are presented on a net basis for gains and losses from financial instruments at fair value through profit or loss and foreign exchange gains and losses.

(vi) Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

(vii) Fair value measurement

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

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

The fair value of listed investments is determined based on quoted market prices on a recognised exchange at the reporting date without any deduction from estimated selling costs. Unlisted investments for which an active over-the-counter ("OTC") market exists are stated at fair value based upon the average price quotations received from two independent brokers.

Where no quotes or insufficient quotes are available, the Board of Directors will decide the appropriate method(s) for the estimation of fair value of the relevant asset(s). The Board of Directors will use valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation techniques incorporate all of the factors that market participants would take into account in pricing a transaction.

(viii) Impairment

IFRS 9 replaces the "incurred loss" model in IAS 39 with a forward-looking "expected credit loss" (ECL) model. This will require considerable judgment about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis.

The new impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments, and to contract assets.

Under IFRS 9, loss allowances will be measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not. An entity may determine that a financial asset's credit risk has not increased significantly if the asset has low credit risk at the reporting date. However, lifetime ECL measurement always applies for trade receivables and contract assets without a significant financing component.

The Company believes that this ECL model is not likely to significantly impact the Company's financial assets in the scope of the IFRS 9 impairment losses.

Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2018

5. Transactions with Related Parties

Dominic Scriven O.B.E., the Non-executive Director of the Company, is a beneficial shareholder of the Company, holding 36,423 Ordinary Shares of the Company as at 30 June 2018 (31 December 2017: Nil). Dominic Scriven O.B.E. also has indirect interests in the share capital of the Company as he is a shareholder of Dragon Capital Group Limited, the parent company of Dragon Capital Limited which holds the Management Shares of the Company. Dragon Capital Group Limited is also the ultimate parent company of Enterprise Investment Management Limited, the Investment Manager of the Company and Dragon Capital Markets Limited. As at 30 June 2018, Dragon Capital Markets Limited beneficially held 3,700,359 Ordinary Shares of the Company for investment and proprietary trading purposes (31 December 2017: 3,700,359 Ordinary Shares).

Gordon Lawson, a Director of the Company, is a beneficial shareholder of the Company, holding 25,000 Ordinary Shares of the Company as at 30 June 2018 (31 December 2017: 25,000 Ordinary Shares).

During the period, the Directors, with exception of Dominic Scriven O.B.E., earned US$64,294 (six-month period ended 30 June 2017: US$82,500) for their participation on the Board of Directors of the Company.

During the period, total broker fees paid to HSC – an associate of Dragon Capital Group Limited and one of the securities brokers of the Company and its subsidiaries – amounted to US$126,332 (period ended 30 June 2017: US$38,662). As at 30 June 2018, there was no broker fee payable to this broker (31 December 2017: US$2,470).

During the period, there was no trading amount dealt on the Company's behalf by VFM – a subsidiary of Dragon Capital Group Limited and its subsidiaries (period ended 30 June 2017: US$20,545). As at 30 June 2018, there was no payable amount to this party (31 December 2017: Nil).

6. Financial Assets at Fair Value through Profit and Loss

	30 June 2018	31 December 2017
	US$	US$
Directly held investments (a)	649,901,623	547,011,237
Investments in subsidiaries (b)	907,640,355	1,055,649,982
	1,557,541,978	**1,602,661,219**

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

	30 June 2018	31 December 2017
	US$	US$
Listed investments:		
Investments, at cost	439,561,170	231,428,645
Unrealised gains	173,499,052	265,213,203
At carrying value	613,060,222	496,641,848
Unlisted investments:		
Investments, at cost	31,954,501	50,225,446
Unrealised gains	4,886,900	143,943
At carrying value	36,841,401	50,369,389
	649,901,623	**547,011,237**

Notes to the Condensed Interim Financial Statements (Continued)
For the six months ended 30 June 2018

6. Financial Assets at Fair Value through Profit and Loss (Continued)
Movements of investments directly held by the Company during the period were as follows:

	Six-month period ended	
	30 June 2018	30 June 2017
	US$	US$
Opening balance	547,011,237	329,143,330
Purchases	269,378,513	19,092,321
Sales	(79,516,933)	(18,334,391)
Unrealised (losses)/gains	(86,971,194)	79,367,560
Closing balance	**649,901,623**	**409,268,820**

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

The net assets of the Company's subsidiaries comprised:

	30 June 2018	31 December 2017
	US$	US$
Cash and cash equivalents	19,790,051	31,559,842
Financial assets at fair value through profit or loss (c)	889,606,474	1,018,259,850
Other receivables	819,833	741,163
Balances due from brokers	123,245	5,089,127
Total assets	**910,339,603**	**1,055,649,982**
Balance due to brokers	(2,699,248)	-
Total liabilities	**(2,699,248)**	**-**
Net assets	**907,640,355**	**1,055,649,982**

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

	Six-month period ended	
	30 June 2018	30 June 2017
	US$	US$
Opening balance	1,055,649,982	666,616,014
Net cash flows from subsidiaries	(88,510,991)	(4,162,268)
Fair value movements on subsidiaries	(59,498,636)	177,188,500
Closing balance	**907,640,355**	**839,642,246**

Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2018

6. Financial Assets at Fair Value through Profit and Loss (Continued)

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

	30 June 2018	31 December 2017
	US$	US$
Listed investments:		
Investments, at cost	561,709,285	528,505,794
Unrealised gains	281,007,410	422,875,746
At carrying value	**842,716,695**	**951,381,540**
Unlisted investments:		
Investments, at cost	32,056,951	57,078,916
Unrealised gains	14,832,828	9,799,394
At carrying value	**46,889,779**	**66,878,310**
	889,606,474	**1,018,259,850**

(d) As at 30 June 2018 and 31 December 2017, the Company held the following listed and unlisted investments directly and/or indirectly through its subsidiaries:

	The Company				Subsidiaries			
	30 June 2018		31 December 2017		30 June 2018		31 December 2017	
	Cost	Carrying value	Cost	Carrying value	Cost	Carrying value	Cost	Carrying value
	US$	US$	US$	US$	US$	US$	US$	US$
Listed equity investments								
SAB	68,336,967	76,895,908	1,965,754	2,462,042	8,571,990	10,585,147	12,525,690	17,688,125
VNM	2,276,495	59,420,318	2,809,824	90,982,577	264,604	6,906,590	840,769	27,224,234
MWG	25,323,726	57,607,020	25,323,726	66,924,842	50,111,911	59,701,430	50,111,911	69,358,019
HPG	10,470,099	42,158,040	10,784,135	38,256,989	3,424,544	5,925,454	5,826,744	20,670,518
VHM	39,954,947	38,847,067	-	-	39,954,947	38,847,067	-	-
MBB	16,073,747	26,676,838	27,538,913	44,796,280	28,441,202	50,517,741	29,330,778	51,862,145
TCB	37,234,181	26,447,073	-	-	-	-	-	-
VCB	12,494,424	25,411,892	13,087,272	25,467,049	-	-	3,180,707	5,849,343
KDH	10,693,657	20,432,244	10,693,657	18,257,884	30,071,950	59,443,987	29,798,413	52,875,551
NVL	25,653,823	20,065,379	-	-	2,900,025	2,765,642	-	-
HDB	17,888,579	19,844,435	-	-	3,095,031	3,244,580	-	-
GAS	14,181,570	19,373,245	13,758,134	21,083,975	14,634,677	22,913,785	28,551,312	48,325,781
PC1	14,967,415	18,451,220	16,988,261	25,368,903	3,475,598	3,798,593	3,565,533	4,589,370
PNJ	17,668,249	18,428,077	10,568,071	13,525,651	16,151,362	13,596,370	2,377,688	2,870,231
BSR (*)	19,823,360	16,969,523	-	-	-	-	-	-
MSN	15,207,329	16,502,995	4,009,173	5,775,552	2,325,520	3,888,320	6,072,306	8,747,765
FPT	10,518,207	14,595,741	18,206,053	30,558,771	17,453,408	25,886,613	24,103,005	43,506,957
IDC (*)	14,730,997	14,494,328	14,730,997	16,973,725	7,289,204	7,449,905	9,146,954	10,892,314
PDR	13,978,432	13,776,076	-	-	-	-	-	-
NKG	10,587,415	11,630,370	12,989,631	25,628,605	9,145,349	7,580,764	9,948,058	14,480,162
DXG	3,289,704	9,804,184	3,289,704	6,962,351	12,931,763	30,444,972	13,279,202	27,214,003
DIG	5,282,274	9,119,771	4,473,373	9,858,770	24,264,257	24,565,738	23,959,815	28,559,654

Notes to the Condensed Interim Financial Statements (Continued)
For the six months ended 30 June 2018

6. Financial Assets at Fair Value through Profit and Loss (Continued)

	The Company				Subsidiaries			
	30 June 2018		31 December 2017		30 June 2018		31 December 2017	
	Cost	Carrying value	Cost	Carrying value	Cost	Carrying value	Cost	Carrying value
	US$	US$	US$	US$	US$	US$	US$	US$
FRT	4,977,605	8,884,252	-	-	9,202,427	16,424,317	-	-
VGC	5,758,696	7,529,182	9,607,893	16,275,485	13,054,759	17,399,882	15,127,123	26,189,581
POW (*)	6,015,028	5,530,433	-	-	22,810,223	19,797,698	-	-
BCM (*)	8,194,464	4,965,481	-	-	14,593,783	9,223,381	-	-
IMP	3,018,705	3,760,535	3,018,705	4,156,061	12,795,203	17,336,779	12,795,203	19,160,231
SSI	1,531,700	1,944,358	1,531,700	1,986,412	2,708,323	3,724,111	2,708,323	3,804,659
VCI	1,865,986	1,796,720	-	-	14,765,375	21,628,199	21,880,844	32,025,030
SJS	1,246,919	1,407,788	1,246,919	1,790,969	3,855,567	4,433,042	3,855,567	5,639,658
HSG	-	-	5,766,633	9,843,528	129,274	85,380	11,851,532	11,810,596
VRE	-	-	7,313,144	8,305,077	10,492,731	8,421,299	-	-
VPB	206,442	187,512	-	-	23,391,925	27,421,398	32,019,901	33,501,707
DQC	110,028	102,217	110,028	132,866	8,442,534	5,151,713	8,442,534	6,696,403
KBC	-	-	5,203,241	4,583,122	-	-	5,169,148	4,733,582
BCI	-	-	2,686,456	3,083,485	-	-	-	-
VGT (*)	-	-	2,073,027	1,814,259	6,478,210	6,043,513	10,883,392	9,524,858
SAM	-	-	1,654,221	1,786,618	-	-	3,611,243	3,900,273
ACB	-	-	-	-	28,033,448	107,397,983	28,033,448	102,311,702
VJC	-	-	-	-	10,799,405	33,460,353	20,178,890	54,664,489
CTD	-	-	-	-	7,808,315	7,540,841	16,496,441	23,937,646
CII	-	-	-	-	13,762,177	19,368,389	13,762,177	25,984,863
ACV (*)	-	-	-	-	7,725,280	51,838,527	9,507,086	76,478,611
HDG	-	-	-	-	4,228,566	6,954,460	6,752,782	11,188,094
VIC	-	-	-	-	-	-	3,984,109	6,399,401
NBB	-	-	-	-	5,643,788	6,024,033	5,781,096	6,398,343
GEX	-	-	-	-	5,601,875	5,305,225	-	-
OIL (*)	-	-	-	-	17,832,685	14,700,046	-	-
ACB (**)	-	-	-	-	43,046,070	54,973,428	43,046,070	52,317,641
Total listed investments	439,561,170	613,060,222	231,428,645	496,641,848	561,709,285	842,716,695	528,505,794	951,381,540

Notes to the Condensed Interim Financial Statements (Continued)
For the six months ended 30 June 2018

6. Financial Assets at Fair Value through Profit and Loss (Continued)

	The Company				Subsidiaries			
	30 June 2018		31 December 2017		30 June 2018		31 December 2017	
	Cost	Carrying value	Cost	Carrying value	Cost	Carrying value	Cost	Carrying value
	US$	US$	US$	US$	US$	US$	US$	US$
Unlisted investments								
OTC equities:								
HPI	11,528,254	13,827,322	11,528,254	11,529,271	5,284,153	6,337,522	5,284,153	5,284,249
Century Land	5,395,405	7,660,562	-	-	3,121,629	4,432,182	-	-
VEAM	3,843,120	6,860,204	3,843,120	5,614,514	15,372,478	27,440,817	15,372,478	22,458,056
Ricons	4,711,685	4,704,140	-	-	3,083,797	3,078,860	-	-
Tin Nghia	2,713,674	3,789,173	2,713,674	3,247,611	5,194,894	5,600,398	3,922,088	4,799,969
HDB	-	-	17,888,579	17,620,558	-	-	13,095,297	12,899,093
FRT	-	-	5,712,667	7,579,594	-	-	9,202,427	12,209,388
BCM	-	-	4,776,790	4,777,841	-	-	8,871,183	8,873,134
Private equities:								
Besra Gold	3,762,362	-	3,762,362	-	-	-	-	-
VFMVF2	-	-	-	-	-	-	1,331,290	354,421
Total unlisted investments	31,954,501	36,841,401	50,225,446	50,369,389	32,056,951	46,889,779	57,078,916	66,878,310
Total	471,515,671	649,901,623	281,654,091	547,011,237	593,766,236	889,606,474	585,584,710	1,018,259,850

(*) IDC, VGT, ACV, BSR, BCM, POW and OIL are listed on Unlisted Public Company Market ("UPCoM").
(**) This is ACB P-notes held under Asia Reach Investment Limited.

Investment portfolio by sector was as follows:

	30 June 2018		30 December 2017	
	US$	%	US$	%
Real Estate & Construction	388,456,845	25	286,165,704	18
Banks	342,122,881	22	346,625,518	22
Foods & Beverages	153,807,963	10	138,356,978	9
Retail	142,617,019	9	156,071,843	10
Energy	99,284,729	6	69,409,756	4
Material & Resources	92,309,071	6	163,155,464	10
Transportation	85,298,880	6	131,143,100	8
Others	74,584,716	5	95,775,396	6
Diversified Financials	68,853,091	4	84,011,172	5
Software & Services	45,787,579	3	74,065,728	5
Consumer Durables	43,321,890	3	34,564,268	2
Pharmaceuticals	21,097,314	1	23,316,292	1
	1,557,541,978	**100**	**1,602,661,219**	100

Notes to the Condensed Interim Financial Statements (Continued)
For the six months ended 30 June 2018

6. Financial Assets at Fair Value through Profit and Loss (Continued)

(e) Restrictions

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

(f) Support

The Company provides or receives ongoing support to/from its subsidiaries for the purchase/sale of portfolio investments. During the period, the Company received support from its unconsolidated subsidiaries as noted in Note 6(b). The Company has no contractual commitments or current intentions to provide any other financial or other support to its unconsolidated subsidiaries.

7. Cash and Cash Equivalents

	30 June 2018	30 December 2017
	US$	US$
Cash in banks	19,977,016	32,443,551

8. Borrowings

	30 June 2018	30 December 2017
	US$	US$
Standard Chartered Bank – Singapore Branch		
- Secured Bank Loan 1	80,000,000	80,000,000

Terms and conditions of outstanding short-term borrowings are as follows:

			30 June 2018	
	Interest rate per annum	Date of maturity	Nominal value	Carry amount
	(%)		US$	US$
Secured Bank Loan 1	4.32088	10 September 2018	80,000,000	80,000,000

As at 30 June 2018, the bank loans were secured over the Company's investments with total carrying value of US$257,423,177 (31 December 2017: US$294,229,601).

These loans are rolled over subsequent to the date of maturity.

Notes to the Condensed Interim Financial Statements (Continued)
For the six months ended 30 June 2018

9. Issued Share Capital and Share Premium

	30 June 2018	31 December 2017
	US$	US$
Authorised:		
500,000,000 Ordinary Shares at par value of US$0.01 each	5,000,000	5,000,000
300,000,000 Conversion Shares at par value of US$0.01 each	3,000,000	3,000,000
1,000 Management Shares at par value of US$0.01 each	10	10
	8,000,010	**8,000,010**
Issued and fully paid:		
220,920,746 Ordinary Shares at par value of US$0.01 each (31 December 2017: 220,920,746 Ordinary Shares at par value of US$0.01 each)	2,209,207	2,209,207
1,000 Management Shares at par value of US$0.01 each	10	10
	2,209,217	**2,209,217**
Treasury Shares:		
Ordinary Shares	(13,409)	(7,951)
Shares in circulation:		
Ordinary Shares	2,195,798	2,201,256
Management Shares	10	10
Outstanding issued share capital in circulation	**2,195,808**	**2,201,266**

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

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

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

During the period, no Conversion Shares were in issue, and no Conversion Shares were in issue as at 30 June 2018 and 31 December 2017.

Notes to the Condensed Interim Financial Statements (Continued)
For the six months ended 30 June 2018

9. Issued Share Capital and Share Premium (Continued)

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

As at 30 June 2018 and 31 December 2017, the following shareholders each owned more than 10 percent of the Company's issued Ordinary shares capital.

	Number of Ordinary Shares held	% of total Ordinary Shares in issue
Registered shareholders		
Computershare Investor Services PLC (*)	220,920,746	100%

(*) Computershare Investor Services PLC was appointed to act as depositary in respect of a facility for the issue of depositary interest representing the Company's Ordinary Shares.

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

	Six-month period ended			
	30 June 2018		30 June 2017	
	Shares	US$	Shares	US$
Balance at the beginning of the period	220,125,680	2,201,256	220,920,746	2,209,207
Repurchase of Ordinary Shares during the period	(545,802)	(5,458)	(795,066)	(7,951)
Balance at the end of the period	**219,579,878**	**2,195,798**	**220,125,680**	**2,201,256**

9. Issued Share Capital and Share Premium (Continued)

Movements in share premium during the period were as follows:

	Six-month period ended	
	30 June 2018	30 June 2017
	US$	US$
Balance at the beginning of the period	560,096,358	563,283,425
Repurchase of Ordinary Shares during the period	(3,204,715)	(3,187,067)
Balance at the end of the period	**556,891,643**	**560,096,358**

10. Net Asset Value per Ordinary Share

The calculation of the NAV per Ordinary Share was based on the net assets attributable to the Ordinary Shareholders of the Company as at 30 June 2018 of US$1,494,660,656 (31 December 2017: US$1,553,277,105) and the number of outstanding Ordinary Shares in issue as at that date of 219,579,878 shares (31 December 2017: 220,125,680 Original shares).

11. Fees

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

Management fees

Prior to 1 August 2017, the Investment Manager was entitled to receive a management fee equal to 2% per annum of the NAV, accrued daily and payable monthly in arrears. With effect from 1 August 2017, the management fee is calculated and accrued daily on the following basis:

- 2% per annum on the first US$1.25 billion of the NAV
- 1.75% per annum on the portion of the NAV in excess of US$1.25 billion and less than or equal to US$1.5 billion; and
- 1.5% per annum on the portion of the NAV above US$1.5 billion.

Notes to the Condensed Interim Financial Statements (Continued)
For the six months ended 30 June 2018

11. Fees (Continued)

During the period, total management fees amounted to US$15,944,784 (six-month period ended 30 June 2017: US$10,886,519). As at 30 June 2018, a management fee of US$2,449,466 (31 December 2017: US$2,501,610) remained payable to the Investment Manager.

Directors' fees

During the period, total directors' fees amounted to US$64,294 (six-month period ended 30 June 2017: US$82,500). As at 30 June 2018, a director fee of US$31,609 (31 December 2017: Nil) remained payables to the Directors. Dominic Scriven has permanently waived his rights to receive directors' fees for his services as Director of the Company.

Administration fees

Standard Chartered Bank (the "Administrator") is entitled to receive a fee of 0.06% (six-month period ended 30 June 2017: 0.06%) of the gross assets per annum, payable monthly in arrears and subject to a minimum monthly fee of US$4,000 per fund. During the period, total administration fees amounted to US$693,730 (six-month period ended 30 June 2017: US$586,896). As at 30 June 2018, an administration fee of US$234,857 (31 December 2017: US$215,713) was payable to the Administrator.

Custodian fees

Standard Chartered Bank (the "Custodian") is entitled to receive a fee of 0.05% (six-month period ended 30 June 2017: 0.05%) of the assets under custody per annum, payable monthly in arrears and subject to a minimum monthly fee of US$500 per custody account. In addition, the Custodian is entitled to US$20 per listed transaction and US$10 per scriptless securities. During the year, total custodian fees amounted to US$513,937 (six-month period ended 30 June 2017: US$339,880). There were no custodian fees payable as at 30 June 2018 and 31 December 2017.

Audit and related fees

During the period, included in the legal and professional fees of the Company was audit fees amounted to US$22,000 (six-month period ended 30 June 2017: US$22,000) paid to the auditor, KPMG Limited. In addition, advisory fees paid to KPMG USA were US$29,010 for the six-month period ended 30 June 2018 (six-month period ended 2017: advisory fees paid to KPMG UK and KPMG USA were US$6,458 and US$28,248, respectively).

12. Income Tax

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

The Company is subject to 5% withholding tax on the interest received from any Vietnamese company. Dividends remitted by Vietnamese investee companies to foreign corporate investors are not subject to withholding taxes.

See Note 14(C) for further details.

13. Basic (Losses)/Earnings per Ordinary Share

The calculation of basic (losses)/earnings per Ordinary Share for the period was based on the net losses for the period attributable to the holders of Ordinary Shares of US$55,406,276 (six-month period ended 30 June 2017: net profits of US$257,086,708) and the weighted average number of Ordinary Shares outstanding of 220,087,360 shares (six-month period ended 30 June 2017: 220,351,251 shares) in issue during the period.

(a) Net (losses)/profits attributable to the Ordinary Shareholders

	Six-month period ended	
	30 June 2018	30 June 2017
	US$	US$
Net (losses)/profits attributable to the Ordinary Shareholders	(55,406,276)	257,086,708

Notes to the Condensed Interim Financial Statements (Continued)
For the six months ended 30 June 2018

13. Basic (Losses)/Earnings per Ordinary Share (Continued)

(b) Weighted average number of Ordinary Shares

	Six-month period ended	
	30 June 2018	**30 June 2017**
	US$	**US$**
Issued Ordinary Shares at the beginning of the period	220,125,680	220,920,746
Effect of Ordinary Shares repurchased during the period	(38,320)	(569,495)
Weighted average number of Ordinary Shares	220,087,360	220,351,251

(c) Basic (losses)/earnings per Ordinary Share

	Six-month period ended	
	30 June 2018	**30 June 2017**
	US$	**US$**
Basic (losses)/earnings per Ordinary Share	(0.25)	1.17

14. Financial Risk Management and Uncertainty

A. Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Company as at and for the year ended 31 December 2017.

B. Fair values of financial assets and liabilities

(i) Valuation model

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

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

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

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

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

Notes to the Condensed Interim Financial Statements (Continued)
For the six months ended 30 June 2018

14. Financial Risk Management and Uncertainty (Continued)

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

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

As at 30 June 2018	Level 1	Level 2	Level 3	Total
	US$	US$	US$	US$
Financial assets at fair value through profit or loss				
• Listed investments	613,060,222	-	-	613,060,222
• Unlisted investments	-	36,841,401	-	36,841,401
• Investments in subsidiaries	-	-	907,640,355	907,640,355
	613,060,222	**36,841,401**	**907,640,355**	**1,557,541,978**

As at 30 June 2017	Level 1	Level 2	Level 3	Total
	US$	US$	US$	US$
Financial assets at fair value through profit or loss				
• Listed investments	496,641,848	-	-	496,641,848
• Unlisted investments	-	50,369,389	-	50,369,389
• Investments in subsidiaries	-	-	1,055,649,982	1,055,649,982
	496,641,848	**50,369,389**	**1,055,649,982**	**1,602,661,219**

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

	Level 1		Level 2		Level 3	
	Six-month period ended		Six-month period ended		Six-month period ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	US$	US$	US$	US$	US$	US$
Opening balance	496,641,848	319,063,843	50,369,389	10,079,487	1,055,649,982	666,616,014
Transfer from level 2 to level 1	28,378,036	2,073,027	(28,378,036)	(2,073,027)	-	-
Purchases	259,271,422	19,092,321	10,107,091	-	-	-
Sales	(79,516,933)	(18,334,391)	-	-	-	-
Net cash outflows to subsidiaries	-	-	-	-	(88,510,991)	(4,162,268)
Unrealised (losses)/gains recognised in profit or loss	(91,714,151)	78,619,456	4,742,957	748,104	(59,498,636)	177,188,500
Closing balance	613,060,222	400,514,256	36,841,401	8,754,564	907,640,355	839,642,246
Total unrealised (losses)/gains for the year included in net changes in fair value of financial assets at fair value through profit or loss	(91,714,151)	78,619,456	4,742,957	748,104	(59,498,636)	177,188,500

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

Notes to the Condensed Interim Financial Statements (Continued)
For the six months ended 30 June 2018

14. Financial Risk Management and Uncertainty (Continued)

	Level 1		Level 2		Level 3	
	Six-month period ended		Six-month period ended		Six-month period ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	US$	US$	US$	US$	US$	US$
Opening balance	899,063,899	601,886,978	119,195,951	57,006,611	-	3,796,608
Transfer from level 2 to level 1	-	34,094,553	-	(34,094,553)	-	-
Purchases	138,900,873	53,517,803	7,478,230	6,833,794	-	-
Sales	(138,197,577)	(28,629,279)	-	-	-	(3,337,041)
Unrealised (losses)/gains	(144,524,123)	127,643,914	7,689,222	6,220,626	-	(459,567)
Closing balance	755,243,072	788,513,969	134,363,403	35,966,478	-	-
Total unrealised (losses)/ gains included in net changes in fair value of financial assets at fair value through profit or loss	(144,524,123)	127,643,914	7,689,222	6,220,626	-	(459,567)

C. Uncertainty

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

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

The implementation and enforcement of tax regulations in Vietnam can vary depending on numerous factors, including the identity of the tax authority involved. The administration of laws and regulations by government agencies may be subject to considerable discretion, and in many areas, the legal framework is vague, contradictory and subject to different and inconsistent interpretation. The Directors believe that it is unlikely that the Company will be exposed to tax liabilities in Vietnam.

15. Seasonal or Cyclical Factors

The Company's results for the six-month periods ended 30 June 2018 and 2017 are not subject to any significant seasonal or cyclical factors.

16. Approval of the Consolidated Financial Statements

The condensed interim financial statements were approved and authorised for issue by the Board of Directors on 26 September 2018.

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