

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

**Interim Report and Unaudited Condensed Interim Financial Statements
for the period 1 July 2017 to 31 December 2017**

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

**INTERIM REPORT AND UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

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VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

CHAIRMAN'S STATEMENT

The six months from the end of June to the end of December 2017 were generally quite benign for investors in equities around the world, and this was manifested in some strong market returns, not least in Vietnam where the benchmark VN Index produced a total return of some 26.8% over the period.

To reiterate my previous statements, in seeking to achieve VinaCapital Vietnam Opportunity Fund Limited's (the "Company") Investment Objective, our strategy has been and remains:

- To retain the largest part of the portfolio in listed assets;
- To continue to add to unlisted securities¹ and private equity investments as and when attractive opportunities arise;
- To reduce holdings in direct real estate and directly owned operating assets; and
- To reduce the discount to Net Asset Value ("NAV") at which the Company's shares trade.

Portfolio Review

In the six months under review the NAV per share increased by 18.0% in US dollar terms. While this did not match the very high returns achieved by the VN Index, which rose by 26.8%, it is nevertheless a good level of absolute return. The gap between the two numbers reflects two factors: the first is that the VOF portfolio holds a number of private equity holdings which are not marked to market, but valued by the Board of Directors, who use a number of valuation techniques. These private equity assets (which include some residual real estate holdings) are held because the Manager believes that they will generate a return over time in excess of that available in public markets. By necessity, and as has been the case in the past, these returns will be 'lumpy', as they will mostly reflect exits from investments at prices which may not be reflected in the Directors' valuation. The weighting to these assets means that in strongly rising markets, the portfolio may underperform in aggregate, even when the capital markets portfolio outperforms the benchmark index, as was the case during this reporting period; the second factor is that the portfolio held a higher than usual cash position in anticipation of making investments in a number of private equity and equitisation opportunities. This 'cash drag' can weigh on the NAV when a market is rising strongly, and was the case here.

Our Investment Manager has been successful in recent years in investments in unlisted and private equity transactions, usually in the expectation of a full listing by the company concerned. During the half year under review we announced four significant additions to the unlisted portfolio: Tasco (HUT), a toll road operator and real estate development company in northern Vietnam; FPT Retail, a leading mobile phone distributor; Orient Commercial Bank (OCB); and finally, Ho Chi Minh Development Joint Stock Commercial Bank (HDBank). OCB and HDBank are active in the retail banking arena. Experienced investors in emerging markets will recognise these as the type of investments which are attractive in a rapidly developing emerging economy with a growing and increasingly affluent middle class.

At the end of December some 11.0% of the Company's assets were in cash (5% of which was held by subsidiaries and associates). After the half year end the Investment Manager took advantage of the strong listed equity market in January to take some profits, deploying the proceeds of these sales and some of the uninvested cash in two further equitisations and one private equity investment with attractive valuations, namely Binh Son Refinery (BSR), PV Power (POW) and Ba Huan Poultry. This reduced the cash position to 2.3% of the portfolio at the time of writing.

¹ *Unlisted securities include companies that have not yet commenced public trading on any of Vietnam's major bourses. These may be state-owned enterprises which are going through the process of privatisation (known as "equitisation" in Vietnam) and companies that are traded on the Unlisted Public Company Market ("UPCoM") of the Hanoi Stock Exchange, as well as stocks traded over-the-counter ("OTC").*

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CHAIRMAN'S STATEMENT (continued)

As previously explained, we have sought to reduce significantly the Company's exposure to direct real estate and this process is now largely complete, with only 2.3% of the portfolio valuation in real estate projects and a further 1.1% in operating assets. There is a distinction between these residual direct investments in real estate and exposure to the sector through listed companies, and we retain an important exposure here, of which the investment in Tasco mentioned above is the most recent example. Significantly, during the period we announced the successful receipt of the full proceeds from a divestment first announced in November 2016 with a final payment of USD64 million.

Dividends

In August 2017 we announced the commencement of a dividend programme and two interim dividends, each of 4.8 cents per share, for 9.6 cents in total, which were paid during the period under review (in August and October 2017 respectively). The 9.6 cents per share paid represented approximately 2% of the NAV per share as at 30 June 2017. The Board intends that the Company will pay a dividend representing approximately 1% of NAV twice each year, normally declared in March and October.

The Board declared an interim dividend of 5.5 cents per share in respect of the half year ended 31 December 2017 on 27 March 2018. The dividend is payable on or around 27 April 2018 to shareholders on record at 6 April 2018.

Discount Control

As at the end of December 2017 the share price discount to NAV was 19.6%, a small increase from the 19.3% at the financial year end.

The initiative to start paying dividends was part of our continuing strategy to try to reduce the discount at which your Company's shares trade to NAV, a discount which your Board feels does not fairly reflect the strong absolute returns which the Company has made, or its prospects over the medium and long terms. Our efforts to reduce the discount concentrate both in attempting to increase demand for shares and, where necessary, reduce supply.

In recent years, we have:

- changed the Company's listing venue to the premium section of the London Stock Exchange;
- changed the domicile to Guernsey;
- commenced the payment of dividends; and
- changed our arrangement with our Investment Manager so that management of our assets is delegated to a regulated entity in Vietnam.

We believe that each of these initiatives has had a beneficial effect on demand for the Company's shares and that some investors who previously were not able to buy are now shareholders, but we would like to make further progress in narrowing the level of discount.

As part of this initiative, our Investment Manager continues to make great efforts to promote the Company's shares to existing and potential investors in key areas of the world. Recognising the importance of the UK market for a London listed company; on 6 November we announced the appointment of Frostrow Capital LLP as UK Marketing and Distribution Partner. Frostrow are working closely with our brokers Numis Securities and UK PR agency Camarco to raise the Company's profile. We are already seeing some success in an increase in the number of shares held by self-directed private investors and by the clients of wealth managers in the UK.

On 5 March 2018, the Company was admitted to the FTSE 250 Index, which we hope will add to these efforts.

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CHAIRMAN'S STATEMENT (continued)

We continue to exercise the power to buy back shares when this is considered to be in the best interests of continuing shareholders. In total during the six month period some 2.4 million shares were bought back for a total consideration of USD9.5 million at an average discount of 20.1%.

The Board

The Board has in place a long-term succession plan and has recently begun the process of recruiting a new non-executive director using a professional recruitment consultant. We will report further in due course.

Annual General Meeting

The Company's Annual General Meeting was held on 14 December 2017. All resolutions were passed, each by a large majority, and I would like to thank shareholders for their continuing support.

Outlook

Rises in equity markets around the world continued into January 2018 but were then tempered by more volatile conditions in February. The immediate trigger for the correction was thought to be rising interest rates in response to concerns of higher inflation, predominantly in the US. In practice, market valuations were also stretched, and market participants were complacent about potential risks. In these circumstances, and after a very long bull run, a correction was probably inevitable at some point. In early 2018 we have duly entered a period of increased volatility and would expect markets to remain alert for problems of overheating as global economies experience a co-ordinated upswing for the first time since the 2008 financial crisis. As set out in the Investment Manager's Report, there are reasons for a balanced approach, both to be optimistic about the potential for further strong investment returns in Vietnam this year, yet also remain cautious, given current market valuation levels. Your Board continues to encourage the Investment Manager to seek attractive investment returns while remaining disciplined in their approach.

The long term arguments for investment in Vietnam remain, in your Board's view, intact. The Vietnamese economy is growing at a good pace, led by substantial foreign direct investment and strong performance in particular in exporting manufactured goods. While there was undoubtedly some effect on trade from the US withdrawal from the Trans Pacific Partnership, this has largely been absorbed and the Vietnamese economy remains vibrant. As I said in the Company's annual report which was released in October, Vietnam remains one of the most interesting investment stories available and we are encouraged by evidence of increasing awareness of Vietnam as an attractive market for international investors.

Steven Bates

Chairman

VinaCapital Vietnam Opportunity Fund Limited

27 March 2018

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

INVESTMENT MANAGER'S REPORT

Half year performance report

Net Asset Value ("NAV") per share total return +18.0%	Share price total return: +17.4% (USD terms) +12.7% (GBP terms)
VOF Capital Markets Portfolio Return +27.4%	Vietnam Index return (USD terms) +26.8%

In the six months ended 31 December 2017, the NAV of the Company delivered an 18.0% return on a per share basis, while the share price increased by 17.4% in USD terms (or 12.7% in GBP terms).

On a calendar year basis (January to December 2017), the Company ended the 12 months delivering a 33.4% return on NAV, with the share price increasing by 32.6% in USD terms (or 21.1% in GBP terms).

This compares with an increase of 26.8% in the benchmark Vietnam Index (VN Index) over the six months ending 31 December 2017 or 48.4% over the 2017 calendar year, in USD terms, while the MSCI Vietnam Index returned 44.1% and 61.1% over the same periods, respectively.

The strong performance of the VN Index during 2017 was driven by record investments from domestic and foreign investors into the stock markets, which helped boost valuations up to a point where they are now approximately in line with regional averages, increasing overall trading liquidity and expanding market capitalisation.

VOF's focus is to invest in opportunities typically not available to the broader market, where we are able to seek privately negotiated and private equity type terms. Given our bias towards unlisted, pre-IPO and private equity investments, there may be instances in times of strong capital market performance that the Company's performance will lag that of the VN Index on a short term basis.

The main reason for this difference in performance was that as at 30 June 2017, VOF's capital markets portfolio represented only 68.8% of total NAV and as at 31 December 2017, this increased to 81.9% of NAV owing to the strong performance in the capital markets. In addition, we were holding 11.0% of NAV in cash at the calendar year end which was earmarked for private equity and equitization opportunities which, in January to early March of 2018 we had deployed into several opportunities as discussed further on in this report. As such the Company's cash position has reduced to 2.3% of NAV at the time of writing. Looking at performance over a three to five year period however, the Company has historically outperformed the market average and going forward we strive to achieve long term returns in excess of the benchmark.

Portfolio review

The Company invests with a medium-term view across a range of sectors and asset classes, including listed and unlisted equity, private equity and operating assets. Investments are selected to generate high risk-adjusted returns. Over the years, the Company has invested in many pre-IPOs, privatisations, placements and privately negotiated deals, most of which have listed on the stock exchanges thereby increasing the weight of the Capital Markets portion of the portfolio in conjunction with expanding P/E multiples.

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INVESTMENT MANAGER'S REPORT (continued)

The Capital Markets component of the portfolio, which accounted for 81.9% of NAV as at 31 December 2017 and consists of quoted investments in listed and unlisted securities², contributed the most to the Company's return. In the six months to 31 December 2017, the Capital Markets portfolio increased by 27.4%, outperforming the VN Index which increased by 26.8%, while for the 12-month calendar year, the Capital Markets portfolio increased by 51.3% compared to a 48.4% increase for the VN Index.

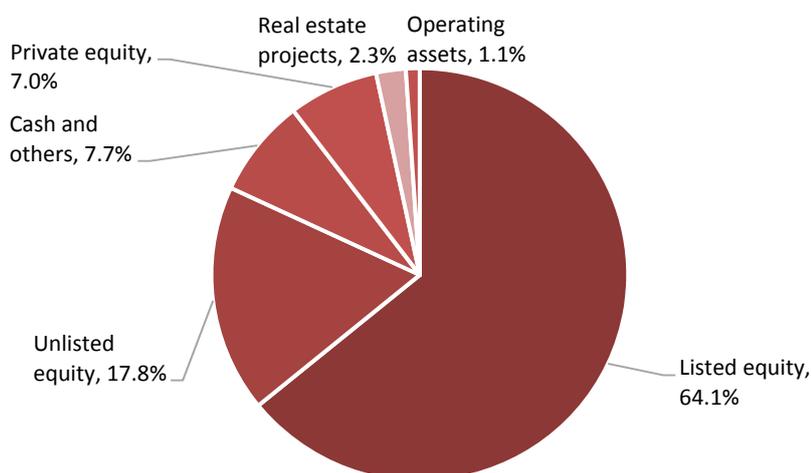


Chart 1: VOF portfolio by asset class, % of NAV, 31 December 2017

Several factors accounted for the Company's strong performance in the Capital Markets sub-portfolio. First, our high conviction approach focusing on top businesses in the sectors contributing to and/or benefiting from the growth of the domestic economy and taking a meaningful stake in those businesses distinguishes us from passive, index-replicating strategies. Additionally, we tend to target investments that are not available to the general market. When evaluating investment opportunities, we focus on those that enable us to take large minority positions with substantive downside protections, such as drag-along rights and performance commitments. Targeted companies must demonstrate sound investment fundamentals, be able to deliver strong earnings growth in excess of the market average, and occupy dominant, market leading positions.

Second, our ability to invest into pre-IPO companies, private equity deals, or SOE privatisations allows us to seek opportunities outside traditional asset types. However, the Company always invests based on corporate fundamentals, and not on a speculative basis. The Company would like to see a potential exit route before investing in private opportunities, and typically seeks a price discount to equivalent listed companies. This long-term strategy has enabled the Company to gain exposure to fundamentally good companies with large upside potential.

In fact, the top five contributors to performance from listed companies this half-year, Airports Corporation of Vietnam (ACV), Hoa Phat Group (HPG), Vinamilk (VNM), Vietjet (VJC), and Phu Nhuan Jewelry (PNJ), were all previously private investments before commencing trading on the main bourses. The average return of these five stocks in the first six months of the year was 62.4%.

² *Unlisted securities include companies that have not yet commenced publicly trading on any of Vietnam's major bourses. These may be state-owned enterprises which are going through the process of privatisation (known as "equitisation" in Vietnam) and companies that are traded on the Unlisted Public Company Market ("UPCoM") of the Hanoi Stock Exchange as well as stocks traded over-the-counter ("OTC").*

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INVESTMENT MANAGER'S REPORT (continued)

Table – top 10 listed holdings and total returns

Top ten holdings			
Investee company	% of NAV	Sector	FY2018 YTD* total return
Hoa Phat Group (HPG)	13.3	Construction materials	46.6%
Vinamilk (VNM)	10.8	Food & beverage	28.7%
Airports Corporation of Vietnam (ACV)	8.9	Infrastructure	112.4%
Khang Dien House (KDH)	6.3	Real estate & construction	16.2%
Phu Nhuan Jewelry (PNJ)	6.0	Consumer discretionary	36.6%
Vietjet Air (VJC)	4.6	Industrials	87.8%
Quang Ngai Sugar (QNS)	3.2	Food & beverage	-33.0%
Eximbank (EIB)	3.1	Financial services	-1.8%
Coteccons (CTD)	3.0	Real estate & construction	7.4%
PetroVietnam Technical Services Corporation (PVS)	2.6	Mining, oil & gas	41.0%
			61.8

* Performance for the six months from 1 July 2017 to 31 December 2017.

Although private equity and unlisted equities currently represent a relatively small proportion of the Company (due to the fact that these tend to rapidly transition to public equities in times of strong equity markets), the Company has generated good returns from these assets. With a potential private investment pipeline of more than USD165 million the Company is also looking to increase the allocation to private equity. Private equity is defined as off-market investments in tightly held businesses, which the Company typically holds for 3-5 years as a strategic investor. Unlisted equity investments are holdings in SOE companies that have taken the first step towards privatisation. This involves a share allotment resulting in at least 100 shareholders, after which the company has six months to list on one of the country's three bourses. In our experience, shares often earn a premium upon listing on UPCoM, as well as on subsequent listing on a main exchange.

In the last quarter of 2017, the Company invested in Orient Commercial Bank (OCB), a mid-tier retail bank in Vietnam, via a privately negotiated deal, and in Ho Chi Minh Development Joint Stock Commercial Bank (commonly referred to as "HDBank"), a leading private retail bank in Vietnam, by participating in its pre-IPO placement. The investments not only increased our weighting in the financial sector, but also provided an unrealised average return of 25.6% in the last quarter of 2017, and we expect further upside potential when they list on the stock exchange. At the time of writing this report, HDBank has already listed on the Ho Chi Minh Stock Exchange, one of Vietnam's main bourses.

The strong market and high trailing P/E valuations in the last quarter of 2017 allowed the Company significantly to divest a few of its holdings and redeploy money into some of the government's SOE privatisations at the start of 2018. While the Company had ample cash to invest in all five of the IPOs scheduled for January 2018, the Company was very selective and took part in two opportunities: Binh Son Refinery (BSR) and PV Power (POW). Binh Son Refinery is the only operating oil refinery in Vietnam, controlling 33% of market share with estimated 2017 revenue and net profit of: USD3.5 billion and USD350 million, respectively. PV Power is the second-largest power generator in Vietnam, providing 10% of national capacity with 2017 estimated revenue and net profits of USD1.3 billion and USD85 million, respectively. We believe the combination of a reasonable valuation and significant medium-term growth potential of these two companies offers a substantial upside to the starting IPO price.

COMPANY HIGHLIGHTS

Hoa Phat Group (HPG) – Listed on HOSE

HPG is the largest steel manufacturer in Vietnam, and is the Company's largest holding as at 31 December 2017, representing about 16.2% of the Capital Markets portfolio and 13.3% of total NAV. Its 2017 earnings were USD350 million, an increase of 21% over 2016 on the back of 45% construction steel revenue growth (an increase of 22% in volume, and a 19% increase in average selling price). The company has expanded its construction steel market share from 22% (2016) to 24% (2017) and maintained its leading position. A fully integrated value chain operating at maximum capacity generated an outstanding gross profit margin of 23%.

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INVESTMENT MANAGER'S REPORT (continued)

The main driver of 2018 growth is expected to be higher selling prices (11% higher than in 2017) and capacity expansion, which includes a new steel sheet line (increase of 400k tons). Meanwhile, construction of the new Dung Quat mega project, an addition of 4 million tons of total capacity, remains on track; phase one will add 2 million tons of capacity for construction steel and is due to be operational in early 2019. In addition, China is clamping down on steel production and the global sector outlook is supportive of steel prices.

The current valuation of this steelmaker is 8.8x trailing P/E. With 2018 earnings growth expected to be 21% leading to a forecast P/E of 7.3x, HPG continues to trade at a significant discount to peers, and at this current valuation we feel the stock is undervalued; the average trailing P/E ratio of the VN Index is currently at between 19x and 20x.

We note that in the past, HPG has attracted little interest from foreign investors, but recently it has appeared on the radar screens of many funds given its size and liquidity (USD7.2 million daily turnover), contributing to its stock price rising by 20.3% and a major pickup in net foreign buying of USD 49 million in the last quarter of 2017. All of this said, steel is a cyclical sector and we will monitor HPG closely.

Vinamilk (VNM) – Listed on HOSE

Market Capitalisation as at 31 December 2017: USD3.1 billion

Vinamilk is the leading dairy company with 57 per cent of Vietnam's dairy market and is the largest listed company in the country by market capitalisation as at 31 December 2017.

This stock rose sharply in November after the State Capital and Investment Corporation (SCIC) sold 3.3% of VNM to Jardine Matheson at a 14% premium to the market price, or VND 186,000 per share. Subsequently, the share price rose even more as the market anticipated a possible bidding war between Jardine and Fraser & Neave, which had previously acquired a significant stake in the dairy company. With a P/E based on estimated 2017 earnings of 32.7x, VNM's valuation is even higher than the regional average of 22x, and we took the opportunity to sell down a significant part of our position. At the time of our sale, VNM accounted for 15% of the portfolio's NAV (USD140 million); as at the end of 2017, the holding in VNM is 10.8% of the Company's total NAV of USD1.1 billion.

For 2017, revenues and earnings were USD 2.3 billion (an increase of 9% year-on-year) and USD 450 million (10% increase), respectively. For 2018, analysts are forecasting revenues and profit of USD2.5 billion and USD 490 million, equating to growth of 11% and 8%, respectively. In terms of input prices, whole milk powder increased by 5% in 2018. VNM has not increased selling prices in the past, and we do not expect them to do so in 2018 given such a small increase in input prices. Though this may hurt margins in the short term, this is a strategy that VNM has used effectively and successfully in the past to increase market share and thus we expect VNM to further consolidate its position.

Airports Corporation of Vietnam (ACV) – Listed on UpCom

Market Capitalisation as at 31 December 2017: USD10.4 billion

ACV is the largest airport operator, as well as aviation infrastructure developer in Vietnam. For 2017, the company reported revenue of USD603 million and net profits to shareholders of USD184 million, representing a like-for-like revenue growth of 17% and core profit growth of 37% and for 2018 we expect core revenue and profit to increase by 25% and 51% respectively.

The stock trades at a substantial premium to other large cap stocks in Vietnam but we think this is deserved given its monopolistic position, and the strong secular tail wind with high airline passenger growth coming from both international tourists (up by 28% to 13 million people) and from domestic passengers as lower ticket prices, greater convenience and new low-cost airlines have made air travel the favoured choice for many people. This can be seen in the results of another of our holdings Vietjet, whose profit was up 81% in 2017.

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INVESTMENT MANAGER'S REPORT (continued)

With a high degree of visibility of earnings and a position unlikely to be challenged in the next 3-5 years, we think that ACV earnings can grow in the 25-30% range during that period, which is extremely rare for any company (and unique in large listed companies). Compared to regional peers such as Thailand Airports, ACV's multiples (both on earnings and cash flow) are almost comparable but we think the Vietnamese aviation industry will grow faster and hence the stock could trade at a premium once more international investors take interest. At the moment, as the stock trades on UpCom and liquidity is modest (just over USD1 million/day), a number of large funds are unable to access the stock. It is expected that ACV will apply to list on HOSE in the next six months, after its 2017 audited accounts are published. Upon doing so, it will become one of the ten largest stocks in the market, which should appeal to large foreign investors. As at 31 December 2017, ACV accounted for 8.9% of total NAV or 10.9% of the Capital Markets portfolio.

Phu Nhuan Jewelry (PNJ) – Listed on HOSE

Market Capitalisation as at 31 December 2017: USD0.6 billion

PNJ is the largest jewelry manufacturer and retailer in Vietnam. PNJ's proven store expansion strategy continues to yield strong results, but even long-term investors were surprised by reported core earnings growth of 44%, far outpacing what analysts were expecting.

For 2017, revenue and earnings were USD484 million (28% year on year increase) and USD 32 million (61% increase), respectively, with 51 new stores opening over the twelve-month period, an increase of 23% over 2016. The company is still targeting to have 500 stores in the next five years, or an increase of 13% per annum over a five-year period. PNJ is by far the dominant player in its category with market share of 28%, nearly equalling its next three competitors combined. For its growth rate, PNJ's valuation is not rich, with a 2017 P/E of 20.4x, compared to the market's trailing P/E of 20x, and still much lower than regional peers' trailing P/E of 27x with much lower earnings growth than that of PNJ.

In addition, one of the big attractions of PNJ for us is the management team. The two ladies who serve as Chairwoman/CEO and CFO, Ms Dung Cao and Ms Cuc Nguyen respectively, have unparalleled experience in the sector and are passionate about the company and the business. PNJ has set high targets for 2018, with revenue and earnings growth of 30% and 22%, respectively. As at 31 December 2017, PNJ accounted for 6.0% of total NAV or 7.4% of the Capital Markets portfolio.

Ho Chi Minh Development Joint Stock Commercial Bank (HDBank) - Unlisted equities as at 31 December 2017; listed on HOSE in Q1 2018

Market Capitalisation as at 5 January 2018: USD1.7 billion

HDBank is one of the most innovative and fastest-growing retail banks in Vietnam. Established in 1989, HDBank ranks among the top ten Vietnamese banks by asset base. The bank focuses on the retail segment, with in-depth exposure to consumer lending via its 50%-owned subsidiary HD Saison, the third-largest consumer finance company in Vietnam, as well as leveraging the customer base of its partner Vietjet Air.

At present, the bank has 4.5 million individual customers and approximately 25,000 small to medium-sized business clients. HDBank currently has 236 branches and offices nationwide and is targeting to have 400 locations nationwide serving 15 million customers by 2021.

HDBank posted very strong results in 2017 with pre-provision profit increase of 62%, pre-tax profit of USD105.7 million (up 2.1x vs 2016), and net profit after paying minority shareholders of USD74.8 million (which was 2.4x higher than in 2016). We expect 2018 to be another outstanding year for HDBank, with pre-provision profit rising by 57% and net profit after payment to minority shareholders up by 54% to USD 119 million.

Orient Commercial Bank (OCB) – Unlisted equities

Market Capitalisation as at 31 December 2017: USD 348million

Established in 1996, OCB currently ranks 17th out of 34 banks in terms of total assets. The bank has been rapidly expanding over the past four years, with CAGR of 23%, and expects earnings growth of approximately 100% and 30% in 2017 and 2018, respectively.

OCB currently has 122 branches nationwide and aspires to become a leading retail bank targeting affluent individual customers as well as small and medium-sized enterprises. The bank expects to list on HOSE before the end of 2018.

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INVESTMENT MANAGER'S REPORT (continued)

OCB expects stellar profit growth in 2017 – 2018, averaging 40% supported by strong credit growth (35% on average), a declining bad debt level and slower increases in operating costs. Credit growth accelerated to 38% in 2016 from its low of 13-17% in 2013-2014 as OCB completed a restructuring process. The bank also has a cleaner loan book than many of its peers, and there are no non-performing loans among the bank's top 20 borrowers. Fee income increased by an estimated 141% in 2017 thanks to fees from internet-banking, banc-assurance, and cross-selling.

At year end, the bank's total assets stood at USD 3.7 billion, up 33% year on year, while total deposits increased to USD 2.8 billion, a 35% year on year rise. Outstanding loans were USD 3.9 billion, with NPLs at 1.8%

FPT Retail – Unlisted equities

Market Capitalisation as at 31 December 2017: USD186 million

FPT Retail is the second largest mobile phone retailer in Vietnam with an 18% market share nationwide and 473 stores covering all 63 provinces. With two retail chains, FPT shops and F-studio, FPT Retail enjoyed healthy same-store-sales growth (4Q2016: 12%, 1Q2017: 4%, 4Q2017: 2%). Retail sales of smartphones continue to show growth potential, with volume growth of 8% and sales growth of 11% in 2017-2020, largely due to Vietnam's lower smartphone penetration in rural areas (53% vs urban 72%), the introduction of 3G/4G technology (3G subscriptions are still low at 47%), booming e-commerce and consumer finance (30% growth).

FPT Retail reported revenue growth of 20% to USD 570 million and profit growth of 40% to USD 12.8 million in 2017 on the back of high mobile sales growth of 30% and laptop sales growth of 5%. Revenue growth was driven by store expansion (23%), high sales growth of Apple products (38%, mainly iPhones), strong accessories sale (30%), and lower old phone sales,

ECONOMIC AND INVESTMENT ENVIRONMENT

Vietnam's GDP growth accelerated from 5.7% year on year growth in first half 2017 (1H17) to 7.6% in 2H17, but inflation only edged up from 2.5% to a 2.6% increase in the country's headline CPI at the end of 2017. These ideal "Goldilocks" economic conditions, characterised by high growth and low inflation (i.e., not too hot and not too cold), propelled the VN Index 27% higher in the second half of the year, as did a steep fall in the country's benchmark 5-year Vietnam Government Bond (VGB) yield by 1.5 percentage points to 4.4%.

GDP Growth (% yoy)

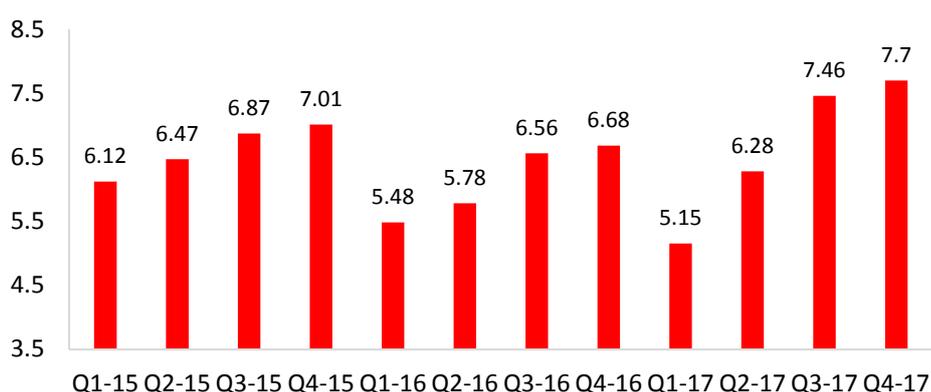


Chart 2: Vietnam quarterly GDP. Source: General Statistics Office (GSO)

The single biggest factor that drove the acceleration in Vietnam's GDP growth as 2017 progressed was the continuous but dramatic rise in the pace of manufacturing activity, growing from 8% year on year in the first quarter (1Q2017) to 18% in 4Q2017. A significant portion of the country's manufactured goods are exported (exports equated to 97% of Vietnam's GDP in 2017), so the acceleration in manufacturing activity also helped flip Vietnam's 2.3% of GDP trade deficit in H1 to a 1.3% of GDP trade surplus for the whole year, which in turn boosted the country's overall growth.

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INVESTMENT MANAGER'S REPORT (continued)

The retooling of Samsung's production lines to manufacture the new Galaxy 8 line of smartphones partly explains the dramatic improvement of Vietnam's manufacturing growth. The recall of the Galaxy S7 phone at the end of 2016 caused Samsung's Vietnam-based production to plunge by 38% in Q1, but the output of the company's mega-factory surged by 46% in 3Q2017, which had a meaningful impact on Vietnam's overall economy (we estimate that Samsung contributes 2-3% of Vietnam's overall economy, and note that FDI companies account for 18% of Vietnam's economy).

One consequence of this acceleration was a record high level of Vietnam's average Purchasing Managers Index ("PMI") during the year; the country's PMI has now been above the 50 "expansion-contraction" threshold for over two years. Also, the growth in the manufacturing sector's output (which contributes 18% to the country's overall GDP) improved from 11.9% in 2016 to 14.4% in 2017. This improvement, coupled with an estimated increase in household consumption (64% of GDP) from 8.3% yoy growth in 2016 to 9.5% in 2017, led to an improvement in the country's overall GDP growth from 6.2% in 2016 to 6.8% in 2017.

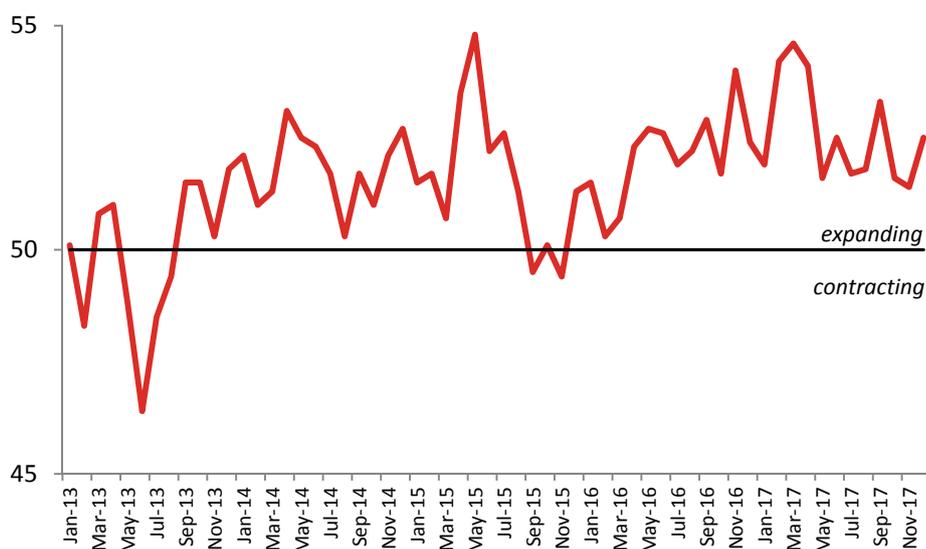


Chart 3: PMI - Nikkei Vietnam Manufacturing Purchasing Managers' Index

The only notable factor that held back growth in 2017 was an 11% decline in oil production volume, which knocked about one-half a point from GDP growth last year (note that a 15% fall in oil production in 2016 reduced GDP growth by about 0.6 of a percentage point). In contrast, electricity production grew by 9% in 2017, steel production by 14%, and both passenger and freight traffic grew by about 10% yoy; all of these data points serve as useful and objective confirmations of the government's robust official GDP and industrial production growth numbers.

Remarkably, inflation remained stable despite this increasingly robust growth as 2017 progressed. Vietnam's headline inflation fell from 4.7% at the end of 2016 to a 2.6% year on year increase at the end of 2017, despite a 15% increase in petrol prices during the year. Core CPI, excluding energy and food prices, fell from 1.9% in 2016 to 1.7% in 2017. The biggest contributor to this drop was a deceleration in medical price inflation (6% of Vietnam's CPI basket) from 56% in 2016 to 28% in 2017, which reduced the overall CPI by 1.7 percentage points. In addition, a reversal of food price inflation (36% of CPI) from a 2% increase of food prices in 2016 to a 1.8% drop in 2017, reduced the overall headline CPI by 0.7 percentage points.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED
INVESTMENT MANAGER’S REPORT (continued)

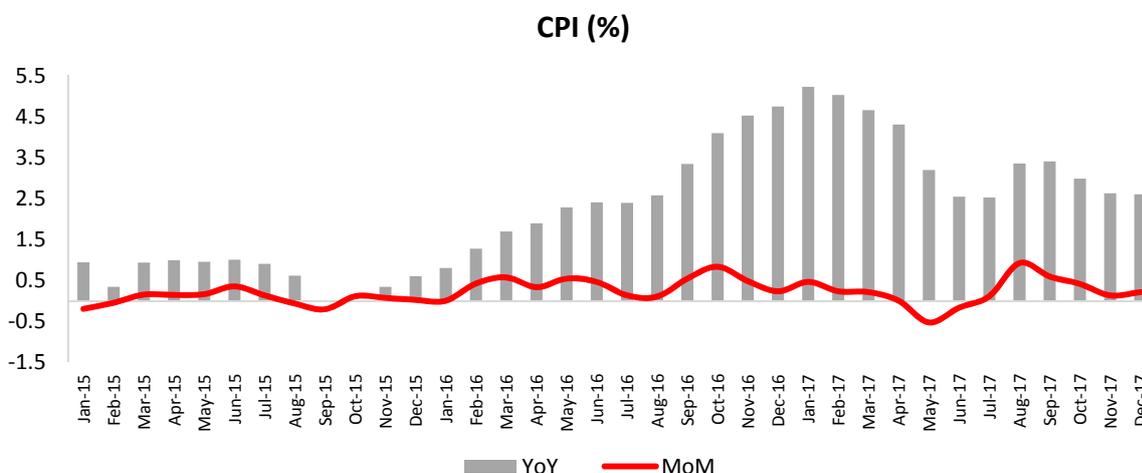


Chart 4: Vietnam’s Consumer Price Index 2015-2017.

This drop in inflation in turn supported a 0.3% strengthening of the Vietnamese Dong in the interbank market, and enabled the State Bank of Vietnam to cut policy interest rates by 25 bps, to 6.25% on 10 July. The stability of the currency was also bolstered by a reasonably strong balance of payments surplus of approximately 2% of GDP as of the first nine months of 2017 (9M2017) down from 4% in 2016, which enabled the central bank to boost its FX reserves by USD13 billion to a record high of USD52 billion as at the end of 2017. That said, FX reserves expressed in terms of imports only edged up from 2.7 months at the end of 2016 to 2.9 months at the end of 2017, because Vietnam’s imports grew by 21% last year.

The drop in inflation was also one of the factors that helped drive bond yields down by approximately 120 bps in 2017. Other factors included an approximately 3x surge in the amount of money Vietnam’s State Treasury (VST) deposited into local commercial banks last year to nearly USD11 billion, which was attributable to the fact that the VST raised roughly USD7 billion by issuing Vietnam Government Bonds (VGBs), although a much lower-than-expected proportion of those funds was deployed into the various infrastructure and other planned government investment projects due to administrative issues.

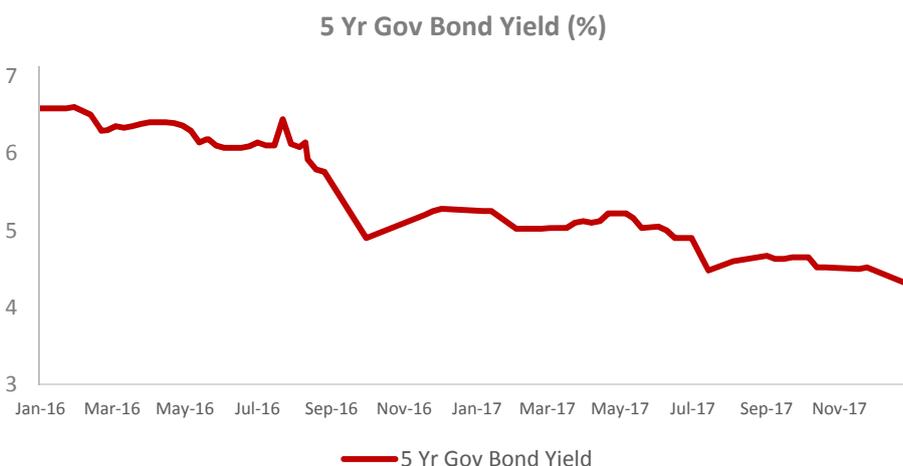


Chart 5: 5 year Vietnam government bond yield 2015 -2017

Those issues are now being addressed, but as a result of this slow disbursement, the government’s overall expenditures grew by 7% in 2017, versus a 17% increase in revenues, which was driven by tariffs and other fees on Vietnam’s booming imports and exports. In addition to helping constrain VGB issuance, the relatively slow pace of government spending growth enabled the government to achieve its 3.5% of GDP budget deficit target last year. The VST’s 2017 issuance of VGBs represented a 40% drop from the previous year.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

INVESTMENT MANAGER'S REPORT (continued)

At the very end of 2017, the government raised nearly USD5 billion by selling a 54% stake in state-owned beer maker Sabeco to ThaiBev, leading market participants to expect another year of reduced VGB issuance in 2018, given the plethora of new privatisations and sales of state stakes in other previously privatised companies. VinaCapital's research team expects the government to raise a total of USD10 billion in 2018 by selling additional ownership stakes in listed SOEs such as Airports Corporation of Vietnam (ACV), PetroVietnam Gas, and Vietnam National Petroleum Group.

Bank lending rates were essentially unchanged in the second half of 2017, owing to strong demand for loans, especially from consumers. The amount of loans (including mortgages) that banks extended to consumers grew by 65% in 2017, and the contribution of loans to banks' overall loan books increased from 12% of outstanding loans at the end of 2016 to 18% at the end of 2017.

Next, another metric that improved from 1H17 to 2H17 was the growth in Vietnam's all-important foreign direct investment (FDI) inflows. In the first half of the year, FDI inflows grew by a muted 6.5% year on year following the withdrawal of the US from the Trans Pacific Partnership (TPP) trade pact and owing to concerns about the possibility of trade tensions with the US, given various protectionist pronouncements made by Donald Trump when he campaigned for president (Vietnam runs a 7% of GDP trade surplus with the US).

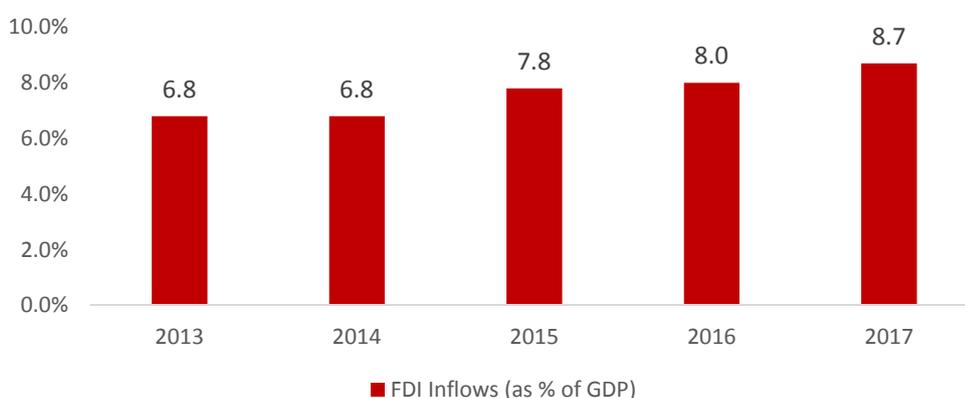


Chart 6: FDI Inflows (as of % of GDP)

However, Vietnam's Prime Minister Nguyen Xuan Phuc was seemingly able to defuse potential trade tensions with the US during his meetings with President Trump in Washington in May 2017, at which time Vietnamese companies signed several large import orders from US companies such as General Electric and Caterpillar. In the second half of the year, FDI inflows accelerated, and ended the year up by 11% year on year to USD18 billion or 8% of GDP. Newly registered FDI soared by 44% year on year to USD36 billion, with roughly three-quarters of newly planned investments earmarked for manufacturing and other production-related projects, including electricity generation. About half of those newly registered FDI inflows originate from Japan and Korea (in roughly equal proportions).

The vast majority of FDI inflows to the manufacturing sector fund the construction of factories that produce exports, so nearly three-quarters of Vietnam's exports in 2017 were made by FDI companies. For that reason, the 11% increase in FDI inflows in 2017, and the prior 9% growth in FDI inflows in 2016 (which reached 7.7% of GDP) directly drove Vietnam's 21% export growth in 2017. The US continued to be Vietnam's largest export destination, representing 19% of Vietnam's overall exports last year, but export growth to the US slowed to 8% in 2017 from 15% in 2016.

Exports to the EU, which accounted for 18% of Vietnam's overall exports last year, grew by 13% year on year, while exports to China surged by 61% in 2017, so the proportion of Vietnam's exports sold to the Chinese market increased to 17% of overall exports last year. That surge was reflective of the Chinese government's vigorous efforts to stimulate its economy in 2017, which propelled 10% export growth in the rest of Asia (versus 21% growth in Vietnam).

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

INVESTMENT MANAGER'S REPORT (continued)

Finally, Vietnam's high-tech exports continued to power ahead in 2017, especially with the recovery of Samsung's smartphone production which was described above (Samsung accounts for over 20% of Vietnam's overall exports). High tech exports surged by 33% in 2017 and contributed one-third of the country's overall exports last year.

Market risks

Although market valuations significantly increased, they are in-line with the regional peer average, and they are reasonable compared to rates. For that reason, the economy is poised to repeat last year's strong performance and will continue to rise in 2018. We do see some risks that require monitoring, when the significant increase in valuations was seen to be similar to the market conditions in 2006.

However, market conditions in 2018 differ from 2006 in several important ways, namely:

1. External volatility: in early 2018 we witnessed how US market volatility can have a negative impact in Vietnam's stock markets, which had been driven up over the previous few months primarily on the back of foreign investments. As such, external volatility could force some of these foreign investors to retreat putting pressure on the Vietnamese markets.
2. Margin lending: currently at an all-time high (approximately USD1.7 billion, or 1.4% of the total market capitalisation of Vietnam's three stock exchanges), any volatility could have a downward spiral effect. Lenders or brokers are sensitive to any negative signs to call in the loans; there is a risk that if share prices begin to fall, margin lending will be squeezed, and margin calls will force further selling.
3. Inflation and interest rates: Although this risk is on the lower side, it is one that we are nevertheless acutely aware of.

Earnings growth will drive the market in 2018

In summary, 2018 promises to be another exciting and unpredictable year. We estimate the average earnings growth for Vietnam listed equities to be around 15-17% per annum. As the Company's listed holdings investment strategy seeks annual returns of at least 15% to 20%, we will only hold those listed equities where we see potential for outperformance in EPS growth against the average as well as the possibility of P/E expansion.

Given the remarkable increase in the size and liquidity of Vietnam's stock markets over the past two years, we think that more global investors will recognise Vietnam's potential as an attractive place to invest, compared with many other emerging markets. This trend will increase demand for Vietnamese listed equities, particularly in larger companies which tend to enjoy a higher level of liquidity.

We have also been taking part in SOE equitisations and privately negotiated deals. At the beginning of 2018, we participated in and disbursed a significant amount (approximately USD80 million) into three investments that potentially will boost portfolio performance for the rest of the year and beyond.

The Company has demonstrated its ability over time to move large blocks of listed equity shares to strategic investors at a significant premium to the prevailing market price and, in the past, the Company has enjoyed ample opportunities to divest stakes where valuations and, effectively, the P/E ratios, were significantly higher than the market prices; we hope to see more of these transactions in 2018.

Andy Ho

Managing Director and Chief Investment Officer

27 March 2018

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

INTERIM REPORT OF THE BOARD OF DIRECTORS

The Board of Directors (the “Board”) submits its report together with the condensed interim financial statements of VinaCapital Vietnam Opportunity Fund Limited (the “Company”) for the six-month period from 1 July 2017 to 31 December 2017 (the “six-month period”).

The Company is registered in Guernsey as a non-cellular company with limited liability. The registered office of the Company is PO Box 255, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3QL.

INVESTING POLICY

Investment Objective

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

Investment Policy

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

No single investment may exceed 20% of the Net Asset Value (“NAV”) of the Company at the time of investment.

The Company may from time to time invest in other funds focused on Vietnam. This includes investments in other funds managed by VinaCapital Investment Management Limited (the “Investment Manager”). Any investment or divestment of funds managed by the Investment Manager will be subject to prior approval by the Board. No more than 10%, in aggregate, of the value of the Company’s total assets may be invested in other listed closed-ended investment funds. The restriction on investment in other listed closed-ended investment funds does not apply to investments in closed-ended investment funds which themselves have published investment policies to invest no more than 15% of their total assets in other listed closed-ended investment funds.

The Company may from time to time make co-investments alongside other investors in private equity, real estate or similar assets. This includes, but is not restricted to, co-investments alongside other funds managed by the Investment Manager.

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

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

Principal Risks

The process which the Company follows in order to identify and mitigate its key risks is set out on pages 42 to 44 of the Annual Report and Financial Statements for the year ended 30 June 2017 (the “Annual Report”), a copy of which is available on the Company’s web site www.vof.vinacapital.com. The Directors have reviewed the key risks and have confirmed that the list as set out in the Annual Report remains appropriate except that we have added a cautionary note on market levels in the list of risks which are summarised on the next page.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

INTERIM REPORT OF THE BOARD OF DIRECTORS (continued)

Principal Risks (continued)

Vietnamese Market Risk

Opportunities for the Company to invest in Vietnam have come about through the liberalisation of the Vietnamese economy. Were the pace or direction of change to the economy to alter in the future, the interests of the Company could be damaged. The economy could also be affected by any escalation in geopolitical tensions in the region and elsewhere.

Furthermore, the performance of the Vietnamese Stock Exchanges has been particularly strong over the reporting period as there has been significantly more domestic and international demand for stock than has been available. If this trend were to reverse, the values of Vietnamese equities could fall significantly from their current levels.

Changing Investor Sentiment

As a Company investing mainly in Vietnam, changes in investor sentiment towards Vietnam and/or frontier markets in general may lead to the Company becoming unattractive to investors leading to reduced demand for shares and a widening discount.

Investment Performance

The performance of the Company's investment portfolio could be poor, either absolutely or in relation to the Company's peers.

Fair Valuation

The risks associated with the fair valuation of the portfolio could result in the Net Asset Value of the Company being misstated.

Investment Management Agreement

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

Operational

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

Legal and Regulatory

Failure to comply with relevant regulation and legislation in Vietnam, Guernsey or the UK may have an impact on the Company.

Life of the Company

The Company does not have a fixed life but the Board considers it desirable that Shareholders should have the opportunity to review the future of the Company at appropriate intervals. Accordingly, the Board intends that every fifth year a special resolution will be proposed that the Company ceases to continue. If the resolution is not passed, the Company will continue to operate as currently constituted. If the resolution is passed, the Directors will be required to formulate proposals to be put to Shareholders to reorganise, unitise or reconstruct the Company or for the Company to be wound up. The Board tabled such a special resolution in 2008 and in 2013 and on both occasions it was not passed, allowing the Company to continue as currently constituted. The next shareholder vote on the continuation of the Company is planned to be held at the AGM in December 2018.

Results and Dividend

The results of the Company for the six-month period and the state of its financial affairs as at that date are set out in the Condensed Interim Financial Statements on pages 22 to 47.

The Board intends that the Company will pay a dividend representing approximately 1% of NAV twice each year, normally declared in March and October. A dividend of 5.5 cents per share in respect of the half year ended 31 December 2017 was declared on 27 March 2018. The dividend is payable on or around 27 April 2018 to shareholders on record at 6 April 2018.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

INTERIM REPORT OF THE BOARD OF DIRECTORS (continued)

Performance

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

The key performance indicators ("KPIs") used to measure the progress of the Company during the six-month period include:

- the movement in the Company's NAV;
- the movement in the Company's share price; and
- discount of the share price in relation to the NAV.

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

Related Parties

Details of the fees paid to the Investment Manager and to the Directors are set out in Note 19 of the Condensed Interim Financial Statements.

Share repurchase programme

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

Annual General Meeting

The Company held its Annual General Meeting (AGM) on 14 December 2017. All resolutions set out in the notice of the AGM were carried with a substantial majority.

Board of Directors

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

Name	Position	Date of appointment
Steven Bates	Chairman	5 February 2013
Martin Adams	Director	5 February 2013
Thuy Bich Dam	Director	7 March 2014
Huw Evans	Director	27 May 2016

Directors' interests in the Company

As at 31 December 2017 and 30 June 2017, the interests of the Directors in shares of the Company were as follows:

	Shares held as at 31 December 2017	Shares held as at 30 June 2017
Steven Bates	25,000	25,000
Martin Adams	-	-
Thuy Bich Dam	-	-
Huw Evans	17,500	17,500

There have been no changes to any holdings between 31 December 2017 and the date of this report.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

INTERIM REPORT OF THE BOARD OF DIRECTORS (continued)

Going Concern

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

On behalf of the Board

Steven Bates

Chairman

VinaCapital Vietnam Opportunity Fund

27 March 2018

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

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

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

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

- the Interim Report, comprising the Chairman's Statement, the Investment Manager's Report and the Interim Report of the Board of Directors, meets the requirements of an interim management report and includes a fair review of information required by DTR 4.2.4 R of the UK Disclosure and Transparency Rules:

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

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

Signed on behalf of the board by:

Huw Evans

Director

27 March 2018

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED
INDEPENDENT INTERIM REVIEW REPORT
TO VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

Our conclusion

We have reviewed the accompanying condensed interim financial information of VinaCapital Vietnam Opportunity Fund Limited (the “Company”) as of 31 December 2017. Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, ‘Interim Financial Reporting’ and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom’s Financial Conduct Authority.

What we have reviewed

The accompanying condensed interim financial statements comprise:

- the unaudited condensed statement of financial position as of 31 December 2017;
- the unaudited condensed statement of comprehensive income for the six-month period then ended;
- the unaudited condensed statement of changes in equity for the six-month period then ended;
- the unaudited condensed statement of cash flows for the six-month period then ended; and
- the notes, comprising a summary of significant accounting policies and other explanatory information.

The condensed interim financial information has been prepared in accordance with International Accounting Standard 34, ‘Interim Financial Reporting’ and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom’s Financial Conduct Authority.

Our responsibilities and those of the directors

The Directors are responsible for the preparation and presentation of this condensed interim financial information in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom’s Financial Conduct Authority.

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

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, ‘Review of interim financial information performed by the independent auditor of the entity’ issued by the International Auditing and Assurance Standards Board. A review of interim financial information consists of making 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.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED
INDEPENDENT INTERIM REVIEW REPORT
TO VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED (continued)

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

PricewaterhouseCoopers CI LLP
Chartered Accountants
Guernsey, Channel Islands
27 March 2018

- (a) The maintenance and integrity of the VinaCapital Vietnam Opportunity Fund Limited website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- (b) Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

	Notes	31 December 2017 USD'000 (Unaudited)	30 June 2017 USD'000 (Audited)
ASSETS			
Cash and cash equivalents	6	61,218	7,512
Receivables	10	6	265
Financial assets at fair value through profit or loss	8	1,090,565	974,581
Total assets		1,151,789	982,358
CURRENT LIABILITIES			
Accrued expenses and other payables	12	19,832	20,546
NON-CURRENT LIABILITIES			
Deferred incentive fees	15(b)	25,846	12,137
Total liabilities		45,678	32,683
EQUITY			
Share capital	11	446,885	456,419
Retained earnings		659,226	493,256
Total Shareholders' equity		1,106,111	949,675
Total liabilities and equity		1,151,789	982,358
Net asset value, USD per share	17	5.58	4.73
Net asset value, GBP per share		4.12	3.64

The Unaudited Condensed Interim Financial Statements were approved and signed by the Board of Directors on 27 March 2018.

Steven Bates
Chairman

Huw Evans
Director

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

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY

	Note	Share capital USD'000	Retained earnings USD'000	Total Equity USD'000
For the six months ended 31 December 2016				
Balance at 1 July 2016		483,829	302,707	786,536
Profit for the period		-	85,483	85,483
Total comprehensive income		-	85,483	85,483
Transactions with Shareholders				
Shares repurchased		(2,811)	-	(2,811)
Balance at 31 December 2016		481,018	388,190	869,208
For the six months ended 31 December 2017				
Balance at 1 July 2017		456,419	493,256	949,675
Profit for the period		-	185,070	185,070
Total comprehensive income		-	185,070	185,070
Transactions with Shareholders				
Shares repurchased	11	(9,534)	-	(9,534)
Dividends paid	9	-	(19,100)	(19,100)
Balance at 31 December 2017		446,885	659,226	1,106,111

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

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Six months ended	
		31 December 2017	31 December 2016
		USD'000	USD'000
Dividend income	13	31,748	23,920
Net gains on financial assets at fair value through profit or loss	14	189,147	76,896
General and administration expenses	15(a)	(8,820)	(7,932)
Finance costs		(1,161)	-
Accrued incentive fee	3, 15(b), 19	(25,846)	(7,673)
Other income		2	272
Operating profit		185,070	85,483
Profit before tax		185,070	85,483
Corporate income tax	16	-	-
Profit for the period		185,070	85,483
Total comprehensive income for the period		185,070	85,483
Earnings per share			
- basic and diluted (USD per share)	17	0.93	0.41
- basic and diluted (GBP per share)		0.71	0.32

All items were derived from continuing activities.

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

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

	Notes	Six months ended	
		31 December 2017 USD'000	31 December 2016 USD'000
Operating activities			
Income before tax		185,070	85,483
Adjustments for:			
Dividend income		(31,748)	(23,920)
Net gains on financial assets at fair value through profit or loss	14	(189,147)	(76,896)
		(35,825)	(15,333)
Change in receivables		259	4,859
Change in accrued expenses and other payables		12,995	1,393
Dividend receipts		31,748	23,920
Net cash inflow from operating activities		9,177	14,839
Investing activities			
Purchases of financial assets at fair value through profit or loss		(131,657)	(82,165)
Return of capital from financial assets at fair value through profit or loss		204,820	160,392
Net cash generated from investing activities		73,163	78,227
Financing activities			
Purchases of shares into treasury	11	(9,534)	(2,811)
Dividends paid		(19,100)	-
Net cash used in financing activities		(28,634)	(2,811)
Net change in cash and cash equivalents for the period		53,706	90,255
Cash and cash equivalents at the beginning of the period	6	7,512	1,570
Cash and cash equivalents at the end of the period	6	61,218	91,825

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

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

VinaCapital Vietnam Opportunity Fund Limited ("the Company") is a Guernsey domiciled closed-ended investment company. The Company was previously a limited liability company incorporated in the Cayman Islands. After an Extraordinary General Meeting on 27 October 2015, Shareholders approved proposals to change the Company's domicile to Guernsey. This change took place on 22 March 2016. The Company is classified as a registered closed-ended Collective Investment Scheme under the Protection of Investors (Bailiwick of Guernsey) Law 1987 and is subject to the Companies (Guernsey) Law, 2008.

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

The Company has a Premium Listing on the London Stock Exchange's ("LSE's") Main Market, under the ticker symbol VOF, after being previously listed on the LSE's AIM market. The change occurred on 30 March 2016 following the change of domicile described above.

The Company does not have a fixed life but the Board has determined that it is desirable that Shareholders should have the opportunity to review the future of the Company at appropriate intervals. Accordingly, the Board intends that every fifth year a special resolution will be proposed that the Company ceases to continue. If the resolution is not passed, the Company will continue to operate as currently constituted. If the resolution is passed, the Directors will be required to formulate proposals to be put to Shareholders to reorganise, unitise or reconstruct the Company or for the Company to be wound up. The Board tabled such resolutions in 2008 and 2013 and on both occasions the resolution was not passed, allowing the Company to continue as currently constituted. The next shareholder vote on the continuation of the Company is planned to be held at the AGM in December 2018.

The Unaudited Condensed Interim Financial Statements for the six-month period ended 31 December 2017 were approved for issue by the Board on 27 March 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The Company has prepared these Unaudited Condensed Interim Financial Statements on a going concern basis in accordance with the Disclosure and Transparency Rules of the United Kingdom Financial Conduct Authority and IAS 34 "Interim Financial Reporting". These Unaudited Condensed Interim Financial Statements do not comprise statutory Financial Statements within the meaning of The Companies (Guernsey) Law, 2008, and should be read in conjunction with the Financial Statements of the Company as at and for the year ended 30 June 2017, which were prepared in accordance with International Financial Reporting Standards. The statutory Financial Statements for the year ended 30 June 2017 were approved by the Board of Directors on 25 October 2017. The opinion of the Auditors on those Financial Statements was unqualified and did not contain an emphasis of matter. The accounting policies adopted in these Unaudited Condensed Interim Financial Statements are unchanged since 30 June 2017. These Unaudited Condensed Interim Financial Statements for the period ended 31 December 2017 have been reviewed by the Auditors but not audited.

2.2 Going concern

The Directors believe that, having considered the Company's investment objective, financial risk management and associated risks (see note 19 to the Annual Report on pages 98 to 105) and in view of the liquidity of investments, the income deriving from those investments and its holding in cash and cash equivalents, the Company has adequate financial resources and suitable management arrangements in place to continue as a going concern.

2.3 Changes in accounting policy and disclosures

These Unaudited Condensed Interim Financial Statements have been prepared in accordance with the accounting policies, methods of computation and presentation adopted in the Audited Financial Statements for the year ended 30 June 2017.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Subsidiaries and associates

The Company meets the definition of an Investment Entity within IFRS 10 and therefore does not consolidate its subsidiaries but measures them instead at fair value through profit or loss.

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

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

2.5 Segment reporting

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

Each of the operating segments is managed and monitored individually by the Investment Manager as each requires different resources and approaches. The Investment Manager assesses segment profit or loss using a measure of operating profit or loss from the underlying investment assets of the subsidiaries. Expenses and liabilities which are common to all segments are allocated based on each segment's share of total assets.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Information about significant judgements, estimates and assumptions which have the greatest effect on the recognition and measurement of assets, liabilities, income and expenses were the same as those that applied to the Annual Report and Financial Statements for the year ended 30 June 2017.

3.1 Eligibility to qualify as an investment entity

The Company has determined that it is an investment entity under the definition of IFRS 10 as it meets the following criteria:

- a) The Company has obtained funds from investors for the purpose of providing those investors with investment management services;
- b) The Company's business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- c) The performance of investments made by the Company is substantially measured and evaluated on a fair value basis.

The Company has the typical characteristics of an investment entity:

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

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

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

3.2 Fair value of subsidiaries and associates and their underlying investments

The Company holds its investments through a number of subsidiaries and associates which were established for this purpose. At the end of each half of the financial year, the fair values of investments in subsidiaries and associates are reviewed and the fair values of all material investments held by these subsidiaries and associates are assessed. As at 31 December 2017, 100% (30 June 2017: 100%) of the financial assets at fair value through profit and loss relate to the Company's investments in subsidiaries and associates that have been fair valued in accordance with the policies set out below.

The underlying investments include listed and unlisted securities, private equity and real estate assets. Where an active market exists (for example, for listed securities), the fair value of the subsidiary or associate reflects the valuation of the underlying holdings. Where no active market exists, valuation techniques are used.

As at 30 June 2017, the fair values of the subsidiaries and associates holding the Company's principal real estate and private equity investments were estimated by a qualified independent professional services firm (the "independent valuer"). The valuations by the independent valuer were prepared using a number of approaches such as adjusted net asset valuations, discounted cash flows, income-related multiples and price-to-book ratio.

In cases where the underlying investments of a subsidiary or associate were real estate projects or operating assets, the independent valuer determined their fair value based on valuations provided by specialised independent professional appraisers ("specialised appraisers"). These valuations were used by the independent valuer as the primary basis for estimating each subsidiary's or associate's fair value as at that date.

The estimated fair values provided by the independent valuer were used by the Audit Committee as the primary basis for estimating the fair value of real estate and private equity investments as at 30 June 2017 for recommendation to the Board. As at 31 December, 2017, the Investment Manager reviewed the valuations carried out by the independent valuer as at 30 June 2017 and considered whether there were any changes to performance or the circumstances of the underlying investments which would affect the fair values. The Investment Manager then made recommendations to the Audit Committee of the fair values as at 31 December 2017 and the Audit Committee, having considered these then made recommendations for approval by the Board.

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

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

As at 31 December 2017 and 30 June 2017, the Company classified its investments in subsidiaries and associates as Level 3 within the fair value hierarchy, because they are not publicly traded, even when the underlying assets may be readily realisable.

(a) Valuation of assets that are traded in an active market

The fair values of listed securities and government bonds are based on quoted market prices at the close of trading on the reporting date. The fair values of unlisted securities which are traded on UPCoM are based on published prices at the close of business on the reporting date. For other unlisted securities which are traded in an active market, fair value is the average quoted price at the close of trading obtained from a minimum sample of three reputable securities companies at the reporting date. Other relevant measurement bases are used if broker quotes are not available or if better and more reliable information is available.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

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

(b) Valuation of assets that are not traded in an active market

The fair value of assets that are not traded in an active market (for example, private equities and real estate where market prices are not readily available) is determined by using valuation techniques. At each year end the independent valuer uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. At the half year, the valuations are reviewed by the Investment Manager. The valuations may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

(b.1) Valuation of investments in private equities

The Company's underlying investments in private equities are fair valued using discounted cash flow and market comparison methods. The projected future cash flows are driven by management's business strategies and goals and its assumptions of growth in gross domestic product ("GDP"), market demand, inflation, etc. At year end, the independent valuer selects appropriate discount rates that reflect the uncertainty of the quantum and timing of the cash flows. At the half-year, the valuations are completed in-house and reviewed by the Audit Committee.

(b.2) Valuation of real estate and operating assets

A number of the Company's real estate investments are held in joint ventures with VinaLand Limited ("VinaLand"), another company managed by the Investment Manager. In these cases, VinaLand holds a controlling stake in the joint ventures and therefore exercises control over the investments. As both companies are managed by the same Investment Manager, each company's investment objectives for each property have generally been the same.

At each year end the fair values of underlying real estate properties are based on valuations by specialised appraisers. These valuations are based on certain assumptions which are subject to uncertainty and might result in valuations which differ materially from the actual results of a sale. The estimated fair values provided by the specialist appraisers are used by the independent valuer as the primary basis for estimating fair value of the Company's subsidiaries and associates that hold these properties in accordance with accounting policies set out in note 2.3. At the half year, the fair values that were determined by the independent valuer at the year end are updated by the Investment Manager and reviewed by the Audit Committee.

In conjunction with making its judgement for the fair value of the Company's underlying real estate and operating assets, the independent valuer, (Investment Manager at the half year), also considers information from a variety of other sources including:

- a. current prices in an active market for properties of similar nature, condition or location;
- b. current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
- c. recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices;
- d. recent developments and changes in laws and regulations that might affect zoning and/or the Company's ability to exercise its rights in respect to properties and therefore fully realise the estimated values of such properties;
- e. discounted cash flow projections based on estimates of future cash flows, derived from the terms of external evidence such as current market rents, occupancy and room rates, and sales prices for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows; and
- f. recent compensation prices made public by the local authority in the province where the property is located.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

3.3 Incentive Fee

For the purpose of calculating any incentive fee the portfolio is split into two pools, the Capital Markets Pool and the Direct Real Estate Pool. The Direct Real Estate Pool includes directly owned real estate assets. The Capital Markets Pool incorporates all other investments, including listed and unlisted securities and private equity. The annual incentive fee payable to the Investment Manager is calculated for each pool as 15% of the increase in NAV over a hurdle rate of 8% per annum. However the maximum amount that can be paid in respect of either pool in any one year is capped at 1.5% of the weighted average month-end NAV of that pool during that year. Any incentive fee earned in excess of this 1.5% cap will be paid out in subsequent years but only to the extent that the NAV of that pool exceeds the level at which it would have been based upon the fees already paid out. The excess fees and any incentive fees earned in subsequent years are paid out on a FIFO basis providing that the total amount of fees paid out in a financial year does not exceed the 1.5% cap.

At the end of each financial period, the Board considers the total amount of any accrued incentive fees which are likely to be paid in subsequent years. In determining the fair value of the liability at a balance sheet date the Board may apply a discount to reflect the time value of money and probability and phasing of payment.

Any incentive fees payable within 12 months are classified under current liabilities. The fair value of any additional incentive fees payable in subsequent years are classified as non-current liabilities.

For further details of the incentive fees earned and accrued at the period end please refer to note 15 (b) on page 40.

4. SEGMENT ANALYSIS

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

Segment information can be analysed as follows:

Unaudited Condensed Statement of Comprehensive Income

	Capital markets* USD'000	Real estate and Operating Assets USD'000	Private equity USD'000	Total USD'000
Period ended 31 December 2017				
Dividend income	24,678	7,070	-	31,748
Net gains on financial assets at fair value through profit or loss	184,574	1,548	3,025	189,147
General and administration expenses (note 15)	(7,786)	(344)	(690)	(8,820)
Finance costs	(1,073)	-	(88)	(1,161)
Accrued incentive fee (note 19)	(25,846)	-	-	(25,846)
Other income	2	-	-	2
Profit before tax	174,549	8,274	2,247	185,070
Period ended 31 December 2016				
Dividend income	23,920	-	-	23,920
Net gains on financial assets at fair value through profit or loss	41,596	34,464	836	76,896
General and administration expenses (note 15)	(6,395)	(733)	(804)	(7,932)
Accrued incentive fee (note 19)	(7,673)	-	-	(7,673)
Other income	272	-	-	272
Profit before tax	51,720	33,731	32	85,483

* Capital markets include listed as well as unlisted securities and bonds.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

4. SEGMENT ANALYSIS (continued)

Statement of Financial Position

Unaudited	Capital markets*	Real estate and Operating Assets	Private equity	Other net assets**	Total
	USD'000	USD'000	USD'000	USD'000	USD'000
As at 31 December 2017					
Cash and cash equivalents	-	-	-	61,218	61,218
Receivables	-	-	-	6	6
Financial assets at fair value through profit or loss	905,813	38,053	77,411	69,288	1,090,565
Total assets	905,813	38,053	77,411	130,512	1,151,789
Current liabilities					
Accrued expenses and other payables	-	-	-	19,832	19,832
Non-current liabilities					
Deferred incentive fees	-	-	-	25,846	25,846
Total liabilities	-	-	-	45,678	45,678
Net asset value	905,813	38,053	77,411	84,834	1,106,111

Audited	Capital markets*	Real estate and Operating Assets	Private equity	Other net assets**	Total
	USD'000	USD'000	USD'000	USD'000	USD'000
As at 30 June 2017					
Cash and cash equivalents	-	-	-	7,512	7,512
Receivables	-	-	-	265	265
Financial assets at fair value through profit or loss	698,538	57,373	70,242	148,428	974,581
Total assets	698,538	57,373	70,242	156,205	982,358
Current liabilities					
Accrued expenses and other payables	-	-	-	20,546	20,546
Non-current liabilities					
Deferred incentive fees	-	-	-	12,137	12,137
Total liabilities	-	-	-	32,683	32,683
Net asset value	698,538	57,373	70,242	123,522	949,675

* Capital markets include listed as well as unlisted securities and bonds.

** Other net assets of USD69.3 million (30 June 2017: USD148.4 million) include cash and cash equivalents and other net assets of the direct subsidiaries at fair value.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

5. INTERESTS IN SUBSIDIARIES AND ASSOCIATES

There is no legal restriction to the transfer of funds from the BVI or Singapore subsidiaries to the Company. Cash held in directly-owned as well as indirectly-owned Vietnamese subsidiaries and associates is subject to restrictions imposed by co-investors and the Vietnamese government and therefore it cannot be transferred out of Vietnam unless such restrictions are satisfied.

5.1 Directly-owned subsidiaries

The Company had the following directly-owned subsidiaries as at 31 December 2017 and 30 June 2017:

Subsidiary	Country of incorporation	As at		Nature of the business
		31 December 2017	30 June 2017	
		% of Company interest	% of Company interest	
Vietnam Investment Property Holdings Limited	British Virgin Islands ("BVI")	100.00	100.00	Holding company for listed, unlisted securities and real estate
Vietnam Investment Property Limited	BVI	100.00	100.00	Holding company for listed, and unlisted securities
Vietnam Ventures Limited	BVI	100.00	100.00	Holding company for listed, unlisted securities and real estate
Vietnam Investment Limited	BVI	100.00	100.00	Holding company for listed, unlisted securities and real estate
Asia Value Investment Limited	BVI	100.00	100.00	Holding company for listed, and unlisted securities
Vietnam Master Holding 2 Limited	BVI	100.00	100.00	Holding company for listed securities
VOF Investment Limited	BVI	100.00	100.00	Holding company for listed, unlisted securities, real estate, hospitality and private equity
VOF PE Holding 5 Limited	BVI	100.00	100.00	Holding company for listed securities
Visaka Holdings Limited*	BVI	-	100.00	Holding company for investments
Portal Global Limited	BVI	100.00	100.00	Holding company for unlisted securities
Windstar Resources Limited	BVI	100.00	100.00	Holding company for listed securities
Allright Assets Limited	BVI	100.00	100.00	Holding company for real estate
Vietnam Enterprise Limited	BVI	100.00	100.00	Holding company for listed, unlisted securities and real estate
VOF PE Holding 3 Limited*	BVI	-	100.00	Holding company for investments
Vinaland Heritage Limited*	BVI	-	100.00	Holding company for investments
Sharda Holdings Limited	BVI	100.00	100.00	Holding company for listed securities
Hospira Holdings Limited	BVI	100.00	100.00	Holding company for private equity
Navia Holdings Limited	BVI	100.00	100.00	Holding company for private equity
Halico Investment Holding Limited*	BVI	-	100.00	Holding company for investments
Foremost Worldwide Limited	BVI	100.00	100.00	Holding company for unlisted securities
Rewas Holdings Limited	BVI	100.00	100.00	Holding company for investments
Allwealth Worldwide Limited	BVI	100.00	100.00	Holding company for private equity
Longwoods Worldwide Limited	BVI	100.00	100.00	Holding company for investments
Vina Sugar Holdings Limited	BVI	100.00	100.00	Holding company for investments
Belfort Worldwide Limited	BVI	100.00	100.00	Holding company for investments
Preston Pacific Limited	BVI	100.00	100.00	Holding company for listed securities
Vietnam Opportunity Fund II Pte. Ltd.	BVI	100.00	100.00	Holding company for investments
Liva Holdings Ltd**	BVI	-	100.00	Holding company for listed securities
Vietnam Master Holding 1 Limited	BVI	100.00	-	Holding company for investments
Turnbull Holding Pte. Ltd.	Singapore	100.00	100.00	Holding company for investments
Fraser Investment Pte. Limited	Singapore	100.00	100.00	Holding company for listed securities
SE Asia Master Holding 7 Pte Limited	Singapore	100.00	100.00	Holding company for investments
VTC Espero Holdings Limited	Singapore	100.00	100.00	Holding company for real estate
Hawke Investments Pte Limited**	Singapore	-	100.00	Holding company for investments

*Entities have been liquidated or sold during the period.

** Entities became subsidiaries of Belfort Worldwide Limited during the period.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

5. INTERESTS IN SUBSIDIARIES AND ASSOCIATES (continued)

5.2 Indirect interests in subsidiaries

The Company had the following indirect interests in subsidiaries at 31 December 2017 and 30 June 2017:

Indirect subsidiary	Country of incorporation	Nature of the business	Immediate Parent	% of Company's indirect interest	% of Company's indirect interest
Victory Holding Investment Limited	BVI	Holding company for listed securities	Rewas Holdings Limited	100.00	100.00
Vietnam Hospitality Ltd	BVI	Holding company for investments	VOF Investment Limited	100.00	100.00
PA Investment Opportunity II Limited	BVI	Holding company for investments	Vietnam Enterprise Limited	100.00	100.00
Howard Holding Pte. Limited	Singapore	Holding company for private equity	Allwealth Worldwide Limited	80.56	80.56
Abbott Holding Pte. Limited	Singapore	Holding company for private equity	Hospira Holdings Limited	100.00	100.00
Whitlam Holding Pte. Limited	Singapore	Holding company for private equity	Navia Holdings Limited	61.26	61.26
Indochina Building Supplies Pte. Ltd	Singapore	Holding company for private equity	VOF Investment Limited	100.00	100.00
Menzies Holding Pte. Ltd	Singapore	Holding company for investments	Belfort Worldwide Limited	100.00	100.00
Hawke Investments Pte Limited*	Singapore	Holding company for investments	Belfort Worldwide Limited	100.00	-
Liva Holdings Ltd*	Singapore	Holding company for investments	Belfort Worldwide Limited	100.00	-
BIVI Investments Corporation	Vietnam	Holding company for investments	VOF Investment Limited	100.00	100.00

* Entities became subsidiaries of Belfort Worldwide Limited during the period.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

5. INTERESTS IN SUBSIDIARIES AND ASSOCIATES (continued)

5.3 Direct interests in associates

The Company had the following directly-owned associates as at 31 December 2017 and 30 June 2017:

Associate	Country of incorporation	As at		Nature of the business
		31 December 2017	30 June 2017	
		% of Company interest	% of Company interest	
Allwealth Asia Ltd	BVI	35.00	35.00	Holding company for real estate
Sunbird Group Ltd	BVI	25.00	25.00	Holding company for real estate
Vietnam Property Holdings Limited	BVI	25.00	25.00	Holding company for real estate
Avante Global Limited	BVI	25.00	25.00	Holding company for real estate
Pacific Alliance Land Limited	BVI	25.00	25.00	Holding company for real estate
VinaLand Eastern Limited	Singapore	25.00	25.00	Holding company for real estate
VinaCapital Commercial Center Private Limited	Singapore	12.75	12.75	Holding company for real estate
Mega Assets Pte. Limited	Singapore	25.00	25.00	Holding company for real estate
SIH Real Estate Pte. Limited	Singapore	25.00	25.00	Holding company for real estate

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

5. INTERESTS IN SUBSIDIARIES AND ASSOCIATES (continued)

5.4 Indirect interests in associates

The Company had the following indirect interests in associates at 31 December 2017 and 30 June 2017:

Indirect associate	Country of incorporation	Nature of the business	Company's subsidiary holding direct interest in the associate	As at	
				31 December 2017 % of Company's indirect interest	30 June 2017 % of Company's indirect interest
Phong Phu Investment and Development Avila Co. Ltd.	Vietnam	Real estate investment	Vietnam Ventures Limited	30.00	30.00
	Vietnam	Real estate investment	Vietnam Investment Property Holdings Limited	16.18	16.18
Vinh Thai Urban Development Corporation	Vietnam	Real estate investment	VTC Espero Limited	-	17.75
Thang Loi Textile	Vietnam	Real estate investment	VOF Investment Limited	28.50	34.00
Hung Vuong Corporation	Vietnam	Real estate investment	VOF Investment Limited	33.00	33.00

The Company's indirect interests of less than 20% in associates at period end are co-investments with VinaLand. The Company considers these interests as indirect associates because, as part of the co-investment strategy, the Company can exert significant influence on these entities.

These associates may have commitments under investment agreements to acquire and develop, or make additional investments in investment properties and leasehold land in Vietnam.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

5. INTERESTS IN SUBSIDIARIES AND ASSOCIATES (continued)

5.5 Financial risks

The Company owns a number of subsidiaries and associates for the purpose of holding investments in listed and unlisted securities, debt instruments, private equity and real estate. The Company, via these underlying investments, is subject to financial risks which are further disclosed in note 21. The Investment Manager makes investment decisions after performing extensive due diligence on the underlying investments, their strategies, financial structure and the overall quality of management.

6. CASH AND CASH EQUIVALENTS

	31 December 2017 USD'000	30 June 2017 USD'000
Cash at banks	61,218	7,512

As at the Statement of Financial Position date, cash and cash equivalents were denominated in USD.

The Company's overall cash position including cash held in directly held subsidiaries as at 31 December 2017 was USD121.1 million (30 June 2017: USD37.1 million). Please refer to note 8 for details of the cash held by the Company's subsidiaries.

7. FINANCIAL INSTRUMENTS BY CATEGORY

	Loans and receivables USD'000	Financial assets at fair value through profit or loss USD'000	Total USD'000
As at 31 December 2017			
Cash and cash equivalents	61,218	-	61,218
Receivables	6	-	6
Financial assets at fair value through profit or loss	-	1,090,565	1,090,565
Total	61,224	1,090,565	1,151,789
Financial assets denominated in:			
- USD	61,224	1,090,565	1,151,789
As at 30 June 2017			
Cash and cash equivalents	7,512	-	7,512
Receivables	265	-	265
Financial assets at fair value through profit or loss	-	974,581	974,581
Total	7,777	974,581	982,358
Financial assets denominated in:			
- USD	7,777	974,581	982,358

All financial liabilities are short term in nature and their carrying values approximate their fair values. There are no financial liabilities that must be accounted for at fair value through profit or loss (30 June 2017: nil).

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

	31 December 2017	30 June 2017
	USD'000	USD'000
Cash and cash equivalents	59,917	29,577
Ordinary shares – listed	708,945	554,459
Ordinary shares – unlisted*	196,868	103,744
Government bonds	-	40,335
Private equity	77,411	70,242
Real estate projects and operating assets	38,053	57,373
Short-term bank deposit	-	50,000
Other assets, net of liabilities	9,371	68,851
	1,090,565	974,581

* Unlisted Securities include OTC (over-the-counter) traded securities, and unlisted securities publicly traded on UPCoM (Unlisted Public Companies Market) of the Hanoi Stock Exchange.

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

	31 December 2017	30 June 2017
	USD'000	USD'000
Consumer goods	262,218	265,016
Construction	203,529	135,115
Financial services	85,357	39,934
Agriculture	25,631	23,512
Energy, minerals and petroleum	51,564	32,482
Pharmaceuticals	19,540	9,756
Real estate	165,849	174,051
Retailers	14,980	-
Infrastructure	111,015	60,127
Industrials	81,594	45,825
Government bonds	-	40,335

As at 31 December 2017, an underlying holding, Hoa Phat, within financial assets at fair value through profit or loss amounted to 13.2% of the net asset value of the Company (30 June 2017: 9.4%). Vietnam Dairy Products, another underlying holding within financial assets at fair value through profit or loss amounted to 10.8% of the net asset value of the Company (30 June 2017: 13.6%). There were no other holdings that had a value exceeding 10% of the net asset value of the Company as at 31 December 2017 or 30 June 2017.

During the period capital has been returned to the Company as underlying investments in the subsidiaries/associates have been realised.

When determining the fair values of financial assets at fair value through profit or loss the Company takes into account the potential for warranty or other claims arising on the sale of any investments based on the underlying likelihood of an event arising and the amount that may become payable.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

9. DIVIDEND POLICY

On 17 August 2017, the Company announced a change in its dividend policy and declared its first dividend.

The Board now intends that the Company will pay a dividend representing approximately 1% of NAV twice each year, normally declared in March and October.

The dividends paid in the reporting period were as follows:

	Dividend rate per share (cents)	Net dividend payable (USD)	Record date	Ex-dividend date	Pay date
First interim dividend	4.8	9,572,940	25 August 2017	24 August 2017	27 September 2017
Second interim dividend	4.8	9,527,436	3 November 2017	2 November 2017	1 December 2017

10. RECEIVABLES

	31 December 2017 USD'000	30 June 2017 USD'000
Receivables from the Investment Manager on management fees rebate	-	259
Loan	6	6
	6	265

11. SHARE CAPITAL

The Company may issue an unlimited number of shares, including shares of no par value or shares with a par value. Shares may be issued as (a) shares in such currencies as the Directors may determine; and/or (b) such other classes of shares in such currencies as the Directors may determine in accordance with the Articles and the Companies Law and the price per Share at which shares of each class shall first be offered to subscribers shall be fixed by the Board. The minimum price which may be paid for a share is USD0.01. The Directors will act in the best interest of the Company and the Shareholders when authorising the issue of any shares.

Issued capital

	31 December 2017		30 June 2017	
	Number of shares	USD'000	Number of shares	USD'000
Issued and fully paid at 1 July	211,346,258	491,301	211,346,258	491,301
Cancellation of treasury shares	-	-	-	-
Issued and fully paid at period/year end	211,346,258	491,301	211,346,258	491,301
Shares held in treasury	(13,133,000)	(44,416)	(10,725,000)	(34,882)
Outstanding shares at period/year end	198,213,258	446,885	200,621,258	456,419

Treasury shares

	31 December 2017		30 June 2017	
	Number of shares	USD'000	Number of shares	USD'000
Opening balance at 1 July	10,725,000	34,882	2,700,000	7,472
Shares repurchased during the year	2,408,000	9,534	8,025,000	27,410
Closing balance at period/year end	13,133,000	44,416	10,725,000	34,882

In October 2011, the Board sought and obtained shareholder approval to implement a share buyback programme. By 31 December 2017, a total of 126,397,001 shares had been bought back, a return of capital to Shareholders of approximately USD278.4 million.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

12. CURRENT LIABILITIES

	31 December 2017 USD'000	30 June 2017 USD'000
Management fees payable to the Investment Manager (note 19)	1,430	1,461
Incentive fees payable to the Investment Manager (note 19)	13,298	11,187
Payables to other related parties (note 19)	4,190	7,160
Capital shares redeemed payable	647	-
Other payables	267	738
	19,832	20,546

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

13. DIVIDEND INCOME

	Six months ended	
	31 December 2017 USD'000	31 December 2016 USD'000
Dividend income	31,748	23,920
	31,748	23,920

14. NET GAINS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Six months ended	
	31 December 2017 USD'000	31 December 2016 USD'000
Financial assets at fair value through profit or loss:		
- Gains from the realisation of financial assets, net	-	74
- Unrealised gains, net	189,147	76,822
Total	189,147	76,896

15(a). GENERAL AND ADMINISTRATION EXPENSES

	Six months ended	
	31 December 2017 USD'000	31 December 2016 USD'000
Management fees (note 19(a))	7,560	6,440
Directors' fees	173	211
Custodian, secretarial and other professional fees	649	918
Others	438	363
	8,820	7,932

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

15(b). ACCRUED INCENTIVE FEE

The methodology for the calculation and payment of any incentive fees is set out in note 3.3. For the year ended 30 June 2017, an incentive fee of USD24.6 million was earned by the Investment Manager on the performance of the Capital Markets Pool. The amount which was paid out was restricted to USD11.2 million by the operation of the 1.5% cap and a balance of USD13.4 million remains outstanding.

On the assumption that the NAV and all other relevant factors which prevailed as at 31 December 2017 are unchanged as at 30 June 2018, for the first six months of the current financial year an incentive fee of USD30.8 million will be earned on the Capital Markets Pool. As at 31 December 2017, therefore, the Company has unpaid incentive fees totaling USD44.2 million.

In the current year, the 1.5% cap will restrict the payment of any incentive fee to 1.5% of the weighted average of month-end assets in the Capital Markets Pool during the year. On the same assumptions used to calculate the incentive fee in the current year, the cap would restrict the amount to be paid at USD13.3 million which has been provided for in the financial statements as a current liability.

The Board has concluded that it is sufficiently likely that the remaining balance of USD30.9 million will eventually be paid out to record the full amount as a liability of the Company. Payment of any part of this balance, however, would not be before October 2019 and payments in any year would be subject to the 1.5% cap. In determining the fair value of this liability as at 31 December 2017, the Board has discounted the USD30.9 million to USD25.8 million to reflect the time value of money and the probability and phasing of payment.

No incentive fee is due or accrued in respect of the Real Estate Pool from either past accounting years or from the 2017/18 accounting year.

16. INCOME TAX EXPENSE

The Company was incorporated in the Cayman Islands until 22 March 2016 when it changed its domicile to Guernsey.

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

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

17. EARNINGS PER SHARE AND NET ASSET VALUE PER SHARE

(a) Basic

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

	Six months ended	
	31 December 2017	31 December 2016
Profit for the period (USD'000)	185,070	85,483
Weighted average number of ordinary shares in issue	198,997,747	208,475,850
Basic earnings per share (USD per share)	0.93	0.41

(b) Diluted

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

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

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

(c) NAV per share

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

	31 December 2017	30 June 2017
Net asset value (USD'000)	1,106,111	949,675
Number of outstanding ordinary shares in issue	198,213,258	200,621,258
Net asset value per share (USD per share)	5.58	4.73

18. SEASONALITY

The Board believes that the impact of seasonality on the condensed interim financial information is not material.

19. RELATED PARTIES

Investment Manager's Fees

(a) Management fees

The Investment Manager receives a fee at an annual rate of 1.5% of the NAV, payable monthly in arrears.

Total management fees for the period amounted to USD7.6 million (31 December 2016: USD6.4 million), with USD1.4 million (30 June 2017: USD1.5 million) in outstanding accrued fees due to the Investment Manager at the reporting date.

(b) Incentive fees

As described in note 3.3 and 15(b), for the period ended 31 December 2017, a gross performance fee of USD30.8 million (30 June 2017: USD24.6 million) was earned by the Investment Manager on the performance of the Capital Markets Pool. Incentive fees with a fair value totaling USD39.1 million, were outstanding as at 31 December 2017 (30 June 2017: USD23.3 million).

Directors' Remuneration

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

	Annual fee USD	Six months ended	
		31 December 2017 USD	31 December 2016 USD
Steven Bates	95,000	47,500	47,500
Martin Adams	80,000	40,000	40,000
Thuy Bich Dam	80,000	40,000	43,151
Huw Evans **	90,000	45,000	40,000
Michael Gray*	90,000	-	40,000
		172,500	210,651

* Resigned 21 December 2016.

** Appointed Audit Committee Chairman following Michael Gray's retirement.

No Directors' fees were outstanding at the period end (30 June 2017: Nil).

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

19. RELATED PARTIES (continued)

(c) Other balances with related parties

	31 December 2017 USD'000	30 June 2017 USD'000
Receivables from the Investment Manager on management fees rebate	-	259
Payables to the Investment Manager on expenses paid on behalf of the Company	34	152
Deposit from disposal of property*	4,190	7,160
Certain underlying investments jointly managed by the Investment Manager		
- Vietnam Infrastructure Limited	-	277
- VinaLand Limited	-	4,115
	-	4,392

* Refundable cash deposit received from VinaLand Limited relating to disposal of property through an associate in which the Company has 25% interest.

20. COMMITMENTS

The Company's indirect real estate associates have a broad range of commitments under investment licences which they have received for real estate projects jointly invested with VinaLand and other agreements which they have entered into, to acquire and develop or make additional investments in investment properties and leasehold land in Vietnam. Further investments in many of these arrangements are at the Company's discretion. The total commitment amount as at 31 December 2017 was USDnil (30 June 2017: Total commitment amount USD36.3 million of which the Company's Share was USD10.8 million).

21. FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

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

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Company's Audited Financial Statements as at 30 June 2017.

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

(b) Capital management

The Company's capital management objectives are:

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

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

21. FINANCIAL RISK MANAGEMENT (continued)

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

Capital as at the period end is summarised as follows:

	31 December 2017 USD'000	30 June 2017 USD'000
Net assets attributable to equity shareholders	1,106,111	949,675

(c) Fair value estimation

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

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

There are no financial liabilities of the Company which were carried at fair value through profit or loss as at 31 December 2017 and 30 June 2017.

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

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

	Level 3 USD'000	Total USD'000
As at 31 December 2017		
Financial assets at fair value through profit or loss	1,090,565	1,090,565
As at 30 June 2017		
Financial assets at fair value through profit or loss	974,581	974,581

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

21. FINANCIAL RISK MANAGEMENT (continued)

(c) Fair value estimation (continued)

The Company classifies its investments in subsidiaries and associates as Level 3 because they are not publicly traded, even when the underlying assets may be readily realisable.

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

	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
As at 31 December 2017				
Cash and cash equivalents	59,917	-	-	59,917
Ordinary shares – listed	708,945	-	-	708,945
– unlisted	140,526	56,342	-	196,868
Private equity	-	-	77,411	77,411
Real estate projects and operating assets	-	-	38,053	38,053
Other assets, net of liabilities	-	-	9,371	9,371
	909,388	56,342	124,835	1,090,565
As at 30 June 2017				
Cash and cash equivalents	29,577	-	-	29,577
Ordinary shares – listed	554,459	-	-	554,459
– unlisted	103,555	189	-	103,744
Government bonds	40,335	-	-	40,335
Private equity	-	-	70,242	70,242
Real estate projects and operating assets	-	-	57,373	57,373
Short-term bank deposit	50,000	-	-	50,000
Other assets, net of liabilities	-	-	68,851	68,851
	777,926	189	196,466	974,581

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include actively traded equities on HSX, HNX or UPCoM at the statement of financial position date. The Company does not adjust the quoted price for these instruments.

Bonds are valued based on the price and yield of the latest transaction of that bond found on a recognised formal stock exchange, Bloomberg or Reuters. If the price of a VND denominated bond found on a recognised formal stock exchange, Bloomberg or Reuters is greater than +/-1% of the previous day's closing price, the valuation is based on the average price and average yield obtained from three reputable bond brokerage companies. The reason for this is that the recorded transaction may be a bond repo transaction, which may not reflect the fair market value of such bonds.

Financial instruments which trade in markets that are not considered to be active but are valued based on quoted market prices and dealer quotations are classified within Level 2. These include investments in OTC equities. As Level 2 investments include positions that are not traded in active markets, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. There are no significant adjustments that may result in a fair value measurement categorised within Level 3.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

21. FINANCIAL RISK MANAGEMENT (continued)

(c) Fair value estimation (continued)

Private equities, real estate and operating assets, and other assets that do not have an active market are classified within Level 3. The Company uses valuation techniques to estimate the fair value of these assets based on significant unobservable inputs as described in note 3.2.

Set out below is the sensitivity analysis on the significant unobservable inputs used in the valuation of Level 3 investments as at 31 December 2017.

Segment	Valuation technique	Valuation (USD'000)	Discount rate	Cap rate	Terminal growth rate	Selling price per unit (USD)	Sensitivities in selling price per unit (USD'000)			Sensitivities in discount rates and cap rates/ dividend yield (USD'000)					
Real estate projects	Direct comparison	14,231	N/A	N/A	N/A	330	Change in sales price per square metre			N/A					
							-10%	0%	10%						
							12,493	14,231	15,969						
Real estate projects	Discounted cash flows	12,439	15%	14.50%	N/A	N/A	N/A			Change in discount rate					
													-1%	0%	1%
										Change in cap rate	-1%	13,124	12,589	12,096	
											0%	12,960	12,439	11,958	
1%	12,810	12,302	11,832												
Private equity	Discounted cash flows	66,692	12% - 19%	N/A	3% - 5%	N/A	N/A			Change in discount rate					
													-1%	0%	1%
										Change in cap rate	-1%	68,771	63,355	58,651	
											0%	72,781	66,692	61,462	
1%	82,698	73,417	63,563												

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

21. FINANCIAL RISK MANAGEMENT (continued)

(c) Fair value estimation (continued)

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

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

Changes in Level 3 financial assets at fair value through profit or loss

The fair value of the Company's investments in subsidiaries and associates are estimated using approaches as described in note 3.2. As observable prices are not available for these investments, the Company classifies them as Level 3 fair values.

	31 December 2017	30 June 2017
	USD'000	USD'000
Opening balance	974,581	789,739
Purchases	131,657	223,412
Return of capital	(204,820)	(217,963)
Sales	-	(19,526)
Net gains for the year, net (note 14)	189,147	198,919
	1,090,565	974,581

	Six months ended	
	31 December 2017	31 December 2016
Total unrealised gains for the period included in:		
Profit	189,147	76,822
Total unrealised profit for the period	189,147	76,822

22. SUBSEQUENT EVENTS

This Interim Report and Unaudited Condensed Interim Financial Statements were approved for issuance by the Board on 27 March 2018.

A dividend of 5.5 cents per share in respect of the half year ending 31 December 2017 was declared on 27 March 2018. The dividend is payable on or around 27 April 2018 to shareholders on record at 6 April 2018.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

MANAGEMENT AND ADMINISTRATION

Directors

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Martin Adams
Thuy Bich Dam
Huw Evans

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³ On 24 August 2017, the Company announced that its Investment Manager VinaCapital Investment Management Limited has entered into an agreement with VinaCapital Fund Management JSC an affiliate of VCIM and a fully licensed and regulated fund management company domiciled in Vietnam, to delegate certain investment management and advisory activities.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

MANAGEMENT AND ADMINISTRATION (continued)

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