

Vietnam Phoenix Fund Limited
(formerly DWS Vietnam Fund Limited)

Interim Unaudited Report
and Condensed Financial Statements
for the six months ended
30 June 2017

VIETNAM PHOENIX FUND LIMITED

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VIETNAM PHOENIX FUND LIMITED

GENERAL INFORMATION

The following information is derived from and should be read in conjunction with the full text and definitions section of the Private Offering Memorandum of Vietnam Phoenix Fund Limited (the “POM”), dated March 2017, copies of which are available on request from State Street Fund Services (Ireland) Limited (the “Administrator”) or by contacting Duxton Asset Management Pte Ltd at VPF@duxtan.com.

DWS Vietnam Fund Limited was incorporated in the Cayman Islands on 13 September 2006 under the Companies Law, Cap. 22 (Revised) of the Cayman Islands as an exempted company with limited liability. At the Annual General Meeting of DWS Vietnam Fund Limited held on 30 September 2016, shareholders resolved to change its name to Vietnam Phoenix Fund Limited (the “Company”). The company was registered with the Cayman Islands Monetary Authority (“CIMA”) with effect from 1 January 2017, pursuant to Section 4 (3) of the Mutual Funds Law (revised) of the Cayman Islands.

The investment objective of the Company is to seek long-term capital appreciation by investing directly or indirectly in a diversified portfolio of securities of companies that do some or all of their businesses in Vietnam.

The Company has an authorised share capital of US\$10,000,000 consisting of 2,000,000,000 shares of par value of US\$0.005 each as at period end 30 June 2017. The Company has two active share classes. Class A shares are open-ended while Class C shares are closed-ended. As of 30 June 2017, only Class C shares of the Company are listed on the Irish Stock Exchange.

The Directors who held office during the period ended 30 June 2017 are:

Kevin A Phillip (independent)

Judd Kinne (independent)

Martin Adams (independent)

INVESTMENT MANAGER

The Company has appointed Duxton Asset Management Pte Ltd as Investment Manager (the “Investment Manager” or “Duxton”). All investments made on behalf of the Company by the Investment Manager comply with all investment objectives, policies and restrictions of the Company. Ultimate discretion over the assets and affairs of the Company remains with the Board.

Duxton is a specialist asset manager licensed by the Monetary Authority of Singapore.

CUSTODIAN

The Company has appointed State Street Custodial Services (Ireland) Limited (the “Custodian”) as custodian of its assets, pursuant to an agreement dated 15 November 2006. Assets located in Vietnam or assets located in any other jurisdictions which require assets to be held by a local sub-custodian are held within the State Street sub-custodian network pursuant to the Custodian Agreement. The assets located in Vietnam and the other jurisdictions are held with a sub-custodian in the local market. The sub-custodian appointed by the Custodian is HSBC Bank (Vietnam) Limited. The Custodian and any sub-custodian appointed by the Custodian provide safe custody for the Company’s assets that can be legally held outside of Vietnam. The Investment Manager ensures that adequate custody arrangements have been entered into by any fund in which the Company is invested.

The Custodian (and any other sub-custodian duly appointed by the Custodian) holds all assets of the Company received by the Custodian in accordance with the terms of the Custodian Agreement. Under the Custodian Agreement, the Custodian acknowledges that investments of the Company may be made in markets where custodial and/or settlement systems are not fully developed, such as Vietnam, and that the assets of the Company and its subsidiaries which are traded in such markets are required to be held by local sub-custodians operating and established in such jurisdictions.

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GENERAL INFORMATION (CONT/D)

ADMINISTRATOR

The Company has appointed State Street Fund Services (Ireland) Limited to maintain the books and records of the Company, as Administrator pursuant to an agreement dated 10 November 2006.

LEGAL ADVISOR

The Company has appointed Ogier as its legal advisor on Cayman Islands Law.

COMPANY SECRETARY

The Company has appointed DMS Corporate Services Ltd. as Company Secretary.

REGISTERED OFFICE

The registered office of the Company is DMS House, 20 Genesis Close, P.O. Box 1344, Grand Cayman KY1-1108, Cayman Islands.

DIVIDENDS

It is not the current intention of the Directors to pay dividends.

SHARES

As at 30 June 2017, the Company's share capital constitutes Class A and Class C shares. These shares have the same rights, in relation to voting, dividends, return of share capital and other matters as set out in the Articles of Association. Class C shares are listed on the Irish Stock Exchange.

AIFMD

The Board has considered the implications of the European Union Directive on Alternative Investment Fund Managers 2011/61/EU ("AIFMD") and it is satisfied that because the Company's shares are not marketed in Europe, there is no significant impact on the Company as a consequence of AIFMD and therefore there is no impact on the financial statements.

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STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Each of the Directors, whose names and functions are listed on page 51 in the 'Other Information' section of this report confirm that, to the best of each person's knowledge and belief:

- The condensed financial statements are prepared in accordance with the international accounting standards applicable to the interim financial reporting adopted pursuant to the procedure provided for under Article 6 of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 (i.e. IAS 34).
- The condensed financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company.
- The Investment Manager's report includes a fair review of the important events that have occurred during the first six months of the financial year, and their impact on the condensed set of financial statements, together with a description of the principal risks and uncertainties for the remaining six months of the financial year.
- The related party transactions are as disclosed in Note 13 of these financial statements.

On behalf of the Board of Directors



Director : Kevin Phillip

Date: September 13, 2017

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INVESTMENT MANAGER'S REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2017

Company Restructuring Note

Readers of this report should be aware of the Company's restructuring which was approved by shareholders during its Extraordinary General Meeting on 22 December 2016 and implemented in January 2017. Following the restructuring, the Company's share capital was split into 3 distinct share classes. For every share owned previously, shareholders who opted for the "Continuation Option" received 1 Continuation share (Class A) and 1 Private Equity Share (Class C), while shareholders who opted for the "Realisation Option" received 1 Realisation share (Class B) and 1 Private Equity share (Class C). This investment manager's report covers the period from 1 January 2017 to 30 June 2017 after the Company's restructuring.

1. Class A – Continuation Shares

NAV Update

The Net Asset Value ("NAV")¹ per Class A share of the Vietnam Phoenix Fund Ltd ("Company") as of 30 June 2017 was USD 0.6499, up 20.13% from USD 0.5410 as of 1 January 2017.

Class A Shares Exposure and Performance

The gross returns by asset class are summarized in the table below and discussed in detail in the following section.

Asset Class	Exposure on 30 June 2017
Listed Equities	100.4%
Cash and Others*	-0.4%
Class A shares	100%

*Includes accruals and liabilities, adjusted to include pending redemptions

Sector Exposure – 30 June 2017	Total
Food Products	21.4%
Real Estate Mgmt & Devt	15.6%
Information Technology	12.4%
Building Materials	8.4%
Metals and Mining	7.4%
Consumer Discretionary	6.7%
Diversified Financials	5.7%
Consumer Staples	4.8%
Banks	4.2%
Others	13.4%
Total	100%

¹ NAV figures are based on the dealing net asset value as at 30 June 2017. Please refer to the table on page 52 of this report for a reconciliation of the difference between the dealing NAV and the NAV per IFRS.

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INVESTMENT MANAGER'S REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2017

Peer Group Analysis**

At the end of June 2017, in terms of NAV change, the Company returned 20.13%, slightly higher than peer average of 19.89%, and ranked fourth among the offshore funds peer group. Dragon Capital's Vietnam Enterprise Investments Ltd (VEIL) posted the largest NAV increase of 26.92%.

Over the 5-year period, the Company's NAV increased 24.35% per annum compared to the peer average of 18.07% per annum.

Fund Name	Fund Manager	Fund Type	Fund size USD mn	Fund Strategy	NAV		NAV Change		
					Jun 17	6M	1Y	3Y (annualised)	5Y (annualised)
Offshore Funds									
Vietnam Phoenix Fund Class A	Duxton Asset Management	Open End	85	Primarily listed equity	0.6499	20.1%	26.1%	17.6%	24.4%
Vietnam Emerging Equity Fund	PXP Vietnam Asset Management	Open End	146	Primarily listed equity	9.22	26.5%	28.5%	16.1%	24.3%
Vietnam Equity UCITS Fund	Dragon Capital Asset Management	Open End	121	Primarily listed equity	19.45	19.1%	21.8%	23.7%	N.A
Forum One - VCG Partners Vietnam Fund	VinaWealth Fund Management JSC	Open End	82	Primarily listed equity	13.68	18.4%	17.6%	N.A	N.A
Vietnam Equity Holdings	Saigon Asset Management	Open End	42	Primarily listed equity	4.86	20.8%	18.8%	8.4%	15.7%
Vietnam Enterprise Inv Ltd	Dragon Capital Asset Management	Closed End	1,230	Primarily listed equity	5.59	26.9%	39.1%	23.5%	27.6%
Vietnam Holding Ltd	Vietnam Holding Asset Management	Closed End	211	Primarily listed equity	2.87	18.4%	17.5%	21.3%	32.1%
Onshore Funds									
VCBF Blue Chip Fund	Vietcombank Fund Management	Open End	15	Primarily listed equity	0.7707	24.5%	24.3%	N.A	N.A
VFM Blue Chip Investment Fund	VietFund Management	Open End	7	Primarily listed equity	0.6510	19.2%	20.2%	14.5%	21.2%
VFM Securities Investment Fund	VietFund Management	Open End	27	Primarily listed equity	1.43	16.6%	18.6%	N.A	N.A
Exchange Traded Funds									
VanEck Vectors Vietnam	VanEck	Offshore ETF	305	MVIS Vietnam Index	14.93	14.5%	4.7%	-7.2%	-1.2%
DB x-trackers Vietnam	Deutsche Asset Management	Offshore ETF	232	FTSE Vietnam Index	23.98	9.6%	1.3%	-3.7%	0.5%
VFM VN30 ETF	VietFund Management	Onshore ETF	27	VN30 Index	0.5528	23.8%	24.5%	N.A	N.A
PEER FUNDS AVERAGE						19.9%	20.2%	12.7%	18.1%
VN-Index (USD)					0.03418	17.1%	20.6%	8.7%	13.8%
VN30 Index (USD)					0.03369	22.1%	20.8%	5.6%	8.3%
VN100 Index (USD)					0.03347	24.2%	20.7%	9.8%	12.0%
VH-Index (USD)					0.00436	23.9%	14.7%	6.5%	5.6%

^ NAV quoted from Fund website/Bloomberg

** - The peer group analysis was performed using the information received from multiple sources; mainly from the peer funds' published data. Also, when analysing the performance of a fund relative to its peers, one needs to be mindful of the different investment strategies across the funds. The Class A share portfolio is invested only in listed equities. Also, this universe of peers may not be complete due to insufficient data provided by other funds.

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Performance Analysis

The 10 largest holdings of the Class A share portfolio as of 30 June 2017 are listed below:

Top 10 Holdings			
Rank	Security Name	Market Value (USD)	% of NAV
1	Vinamilk	14,415,918	18.8%
2	FPT Corp	9,131,815	11.9%
3	Hoa Sen Group	5,488,984	7.2%
4	Hoa Phat Group	5,378,734	7.0%
5	Vietnam Enterprise Inv Ltd	5,242,185	6.8%
6	Kinh Bac City Devpt	3,774,664	4.9%
7	Novaland Investment Group	3,364,072	4.4%
8	Thien Long Group	3,296,709	4.3%
9	Vietnam Container Shipping	3,219,433	4.2%
10	Bank For Foreign Trade JSC	3,142,785	4.1%
	Total	56,455,299	73.6%

1. Class A share Portfolio Performance

The Class A share portfolio returned 20.13% in H1-2017, outperforming the VNIndex by 3.08 absolute percentage points (in USD terms), thanks to the performance of big cap stocks such as Vinamilk (VNM) and FPT Corp (FPT), the portfolio's two largest holdings. VNM's share price increased in light of lower input costs due to declining milk prices since the start of the year, while FPT exhibited strong earnings throughout the first 6 months of 2017. (Please see more detailed company updates below).

A few small/mid-cap stocks in the portfolio also contributed positively to performance, such as real estate developer Dat Xanh Real Estate (DXG), construction service provider Hoa Binh Corporation (HBC) and office supplies manufacturer Thien Long Group (TLG). The booming real estate market and infrastructure activities in Vietnam provided a strong support for real estate and construction stocks such as DXG and HBC. In fact, HBC's share price has been on a strong winning streak for the last 6 months thanks to impressive FY2016 results and abundant backlog. TLG also outperformed the market on the back of strong Q1 earnings, a share dividend of 30%, and a decision to increase the foreign ownership limit to 100% (from 49%).

Detractors to the Class A share portfolio performance in H1-2017 include GTN Foods (GTN) due to poorer than expected results from its Vinatea segment, and PetroVietnam Drilling (PVD) due to the volatility and outlook of global oil prices.

The key philosophy of the Class A share portfolio is to seek long-term capital appreciation for investors. Therefore, the Class A share portfolio is well-diversified across the key driving industries of the Vietnamese economy.

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INVESTMENT MANAGER'S REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2017

1.1. Vietnam Dairy Products JSC (VNM, +27.2%²)

Vietnam Dairy Products (Vinamilk) is Vietnam's leading dairy producer. The company has a very wide product portfolio, mainly in dairy products, milk formula and baby food. It is also the consumer products company with the largest distribution network in Vietnam with 266 exclusive distributors, 220,000 points of sale and 218 self-branded shops. Its liquid milk business is the biggest segment in terms of both revenue and profits, followed by yoghurt, powdered milk and condensed milk. At the end of Q1-2017, according to Passport Euromonitor, Vinamilk remains the leader in each segment with a 56% market share in drinking milk, 85% in yoghurt and 80% in condensed milk.

Vinamilk possesses a modern production line with 13 factories and 9 cow farms around the country, containing nearly 19,500 cows. The cow herd however supplies only a minor portion of the input required, with the remainder coming from milk contracts with local dairy farmers and milk powder imports from Australia and New Zealand. In 2017, the company opened its first EU-certified organic dairy farm in Da Lat, Lam Dong province and continues to expand its local milk production capacity with plans to build 3 new dairy farms in Ha Noi's Ba Vi district with 8,000 cows. The company is still growing its export business to its traditional markets in the Middle East and South East Asia and is in the process of expanding to new markets in Africa and Central America.

For the first quarter of 2017, VNM achieved VND 12,049 billion in sales and VND 2,935 billion in net profit, equivalent to growth rates of 16.6% YoY and 35.8 YoY, respectively². This result was attributed to a strong growth of domestic sales volume (+17% YoY) and a slight increase in selling prices. Export sales (nearly 10% of total revenue) declined 24.6% YoY because sales in Cambodia were recorded under sales of overseas subsidiaries instead of export sales from 2Q16 onwards. Gross profit margins were maintained compared to last year (Q1 2017: 48.3% vs. Q1 2016: 48.6%) despite slightly higher input prices thanks to improvements in production controls². Earnings outlook remains robust, since the 25% decline in powder milk price from New Zealand³ in the first quarter provided the company an opportunity to lock in low input prices for the rest of the year.

During its 2017 annual general meeting, the company has also embarked on an aggressive 5-year strategic plan to increase its local and regional market presence. These include capturing greater market share in its frozen products segment, Capex spending on production capacity, and investing in regional markets through M&A or partnerships.

VNM's largest shareholder, The State Capital Investment Corporation of Vietnam (SCIC) reiterated its intention to divest its entire stake in the company by 2017, however it remains uncertain as to whether they will be able to follow through on this. The second largest shareholder, Fraser & Neave (F&N) also stated its intention to increase its stake in VNM when the SCIC carries out future divestments.

At the end of June 2017, Vinamilk traded at a 2017F P/E of 24.1x².

² Source: Bloomberg

³ Source: Bloomberg (MMR1 Comdty)

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1.2. FPT Corporation (FPT, +25.0%⁴)

FPT is Vietnam's leading Information and Communication Technology (ICT) company with market-leading positions in its three main services: (1) Technology section (24.5% of FY2016 revenue) with Software production, system integration and IT services; (2) Telecommunication section (16.4% of revenue) with wide band Internet and Digital content; (3) Distributing and retail (56.8% of revenue). FPT also offers educational services (2.3% of revenue) through its privately owned FPT University, providing vocational training and undergraduate programs specializing in information technology.

FPT's software development business has exposure in 21 countries with 25 service delivery centres, providing software solutions in domains such as government, public finance, banking, education, healthcare and transportation. It is ranked number one in Vietnam in terms of IT services provision and infrastructure. Its telecommunications segment currently provides internet infrastructure coverage in 59 of the country's 63 cities and provinces. As of H1-2017, the company expanded the number of retail outlets to 400 and embarked on a joint venture with Vinamilk to open a chain of stores specialising in dairy products. As part of the company's restructuring efforts, FPT is reportedly selling its distribution business (FPT Trading) to Synnex Corp, a Fortune 500 corporation⁵. This would allow them to focus on its core businesses and better allocate resources to the Technology and Telecoms segment.

FPT's consolidated earnings for H1-2017 have not been released at the time of writing this report. During the first five months of 2017, FPT recorded revenues of VND 16,366 billion, up 12% YoY and fulfilling 103% of its five-month target⁶. Profit before tax reached VND 1,166 billion, up 12% YoY and outperforming its five-month target by 107%. Two main contributors to the good performance came from the Technology and Telecoms segments, where YTD profit before tax increased 31% and 21% YoY respectively⁶. The Technology segment was driven by the completion of contracts in the public sector, including electricity companies, tax authority, post office and several private sector clients. Telecoms segment also witnessed strong growth thanks to an increasing number of subscribers for internet broadband services. Non-broadband services such as leased lines, voice & data centre and IPTV services recorded 22% YoY growth in sales.

Looking forward, Vietnam's IT infrastructure has lots of room to grow and internet penetration rate is still low at 52%⁷ as of 2016, compared to 60% in Thailand, 70% in Malaysia, 81% in Singapore and 88% in Taiwan and South Korea. The system integration market in Vietnam is worth USD 1.28 billion in 2017 and will continue to grow by 10% next year.

At the end of June 2017, FPT traded at a 2017F P/E of 10.8x⁴, which is quite attractive for a telecom/technology company, given its long term prospects. Although the foreign ownership ratio for the stock remained at the limit of 49%, the SCIC announced its plan to divest its entire 6% holdings between 2017-2020.

⁴ Source: Bloomberg

⁵ Source: VietnamNet News

⁶ Source: Company data or announcements

⁷ Source: Internet Live Stats

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1.3. Hoa Sen Group (HSG, +13.8%⁸)

Hoa Sen Group (HSG) is a one of Vietnam's leading steel producers. In 2016, steel sheet represented 70% of revenue, followed by steel pipe (28% of revenue), plastic (2% of revenue) and other products. HSG also derives a significant proportion of its revenue from export sales (35% of revenue). Among the Vietnamese steel companies, HSG possesses the strongest sales network with 290 retail branches and 6 base depots at the end of H1-2017. HSG aims to open 100+ new branches per year to reach 500 branches by the end of 2018. As of June 2017, it held a 40% market share in galvanized steel sheets (ranked 1st) and 16% market share in steel pipe (ranked 2nd behind Hoa Phat).

In H1-2017 (fiscal year ending 30 September), HSG reported strong earnings with revenue and net profit of VND 11,980 bn (+44.3% YoY) and VND 855 bn (+41.2% YoY), respectively.⁹ Sales volume of steel sheet in H1-2017 grew 25% YoY, almost double the industry growth rate of 13%. The anti-dumping tariffs imposed on steel sheets imported from China and Korea contributed to HSG's robust volume growth. Steel pipe sales volume reached increased 6% YoY, while plastic pipe sales volume grew 32% YoY for the period.⁹ H1-2017 gross margins declined to 18.4% from a high level of 21% in H1-2016 due to rising prices of iron ore and depletion of its low cost inventory of hot rolled coil (HRC).

For the second half of HSG's financial year, the company plans to increase capacity for steel sheet and steel pipe, raising total capacity to 2 million tons and 890,000 tons respectively.⁹ Its distribution network will also be expanded, adding 60 retail branches to bring the total to 350 by the end of 2017. Gross margins have also begun to normalize from last year's abnormally high levels as its low cost inventory gets depleted, making it difficult for HSG to maintain the same levels of margin they achieved in 2016. HSG also expects to divest from its Hoa Sen Gemadept Logistics & International Port JSC – a joint venture with Gemadept (GMD), providing an abnormal profit from the sales proceeds.⁹ Demand for steel products continues to be driven by the real estate market and infrastructure projects. Condominium transactions volumes have more than tripled over the past 3 years, fuelling demand for construction materials. Transport infrastructure projects such as the Metro Line in HCMC and expressways will also add to the demand.

At the end of June 2017, HSG traded at a 2017F P/E of 6.4x⁸.

1.4. Hoa Phat Group (HPG, +18.8%⁸)

Hoa Phat Group is one of the leading private industrial production groups and in H1-2017, extended its market share in the Vietnamese steel industry with an estimated 24.2% compared to 22.2% in 2016¹⁰. The company sells its products nationwide with steel products contributing to more than 80% of its total revenue.

⁸ Source: Bloomberg

⁹ Source: Company data or announcements

¹⁰ Source: Company announcements according to the Vietnam Steel Association

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HPG's consolidated earnings for H1-2017 have not been released at the time of writing this report. H1-2017 revenue reached VND 21 trillion, increasing 36.4% YoY, while net income reached VND 3.47 trillion, increasing 13.8% YoY.¹¹ Hoa Phat's construction steel sales volume surpassed 1 million tons, while steel pipe sales were over 273,000 tons for the first half of 2017, an increase of more than 29% YoY for both products. Average selling price for construction steel increased 13.4% YoY to VND 10.84 mn/ton, however gross margin declined due to volatility of input price materials such as iron ore and coking coal during the past 6 months. In Q1-2017 alone, HPG exported approximately 52,000 tons of steel, more than the total volume for 2016. The agricultural business has begun to gain some traction, contributing VND 1 trillion revenue for H1-2017, an increase of 65% YoY. As such, the company has achieved 52.5% and 57.8% of their revenue and net profit targets for FY2017.

HPG's Dung Quat Steel Complex began construction in June 2017 and is expected to be completed in 2 years. This project consists of 2 phases and costs a total of VND 40 trillion, half of which will be funded from the company's retained earnings and the other half from banks and upcoming rights issuance in July 2017. Phase 1 will add 1 million tons of capacity each for construction steel and industrial grade long steel, while Phase 2 will add 2 million tons of capacity for HRC. Having been running at close to full capacity, this project is crucial to HPG's growth prospects. Similar to HSG, HPG's steel business will also be driven by demand from the real estate market and infrastructure projects. They will also be sheltered by anti-dumping tariffs mentioned in the section above.

At the end of June 2017, HPG traded a 2017F P/E of 6.5x¹², which is still low for an industry leader and blue-chip stock.

1.5. Vietnam Enterprise Investments Limited (VEIL, +35.9%¹²)

Vietnam Enterprise Investments Limited (VEIL) is a closed-end fund trading on the London Stock Exchange. Launched in 1995, VEIL invests primarily in listed and pre-IPO companies in Vietnam that offer attractive growth and value. VEIL is managed by Dragon Capital Group, an independent asset manager based in Vietnam with over USD 2.29 bn (as of 30th June 2017) in listed equity, clean-tech, fixed income and real estate for international pension and sovereign wealth funds and endowments.

During the first 6 months of 2017, VEIL's NAV increased 26.92%, while its price increased 35.86%, in USD terms. The discount to NAV narrowed to 11.4% at the end of June, compared to 17.2% at the start of the year. VEIL's performance was driven by its holdings in Military Commercial Joint Stock Bank (+66.1%) and VietJet Aviation JSC (+50.5%).

¹¹ Source: Company data or announcements

¹² Source: Bloomberg

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INVESTMENT MANAGER'S REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2017

Outlook for Listed Equities

The Vietnamese equity markets had a great performance in the first half of 2017, driven mainly by the financial sector and other blue-chips stocks, on the back of strong sentiment and corporate earnings growth. Despite the modest overall GDP growth in the first half of the year, a closer look into each sector reveals that manufacturing has been growing as much as 10.5% YoY, construction (8.5%) and services (6.5%), while credit and registered FDI grew 7.4% and 50% YoY, respectively. The main detractor to GDP performance was the mining sector, which declined 8.2% YoY during the period, without which GDP would have grown approximately 6.9%. The IPO/listings of new blue-chips also contributed to the index's gain, including Petrolimex (PLX), Viet Jet Air (VJC) and Vietnam Airlines (HVN).

In the second half of the year, we expect favourable economic conditions to provide support to the market, especially in the manufacturing, FDI and tourism sector. Prime Minister Phuc and his government, being motivated to maintain its 6.7% growth target for the year, issued Directive 24/CT-TTg dated 2 June 2017, setting out actions for growth in the second half of the year. These include increasing domestic oil production, boosting public fund disbursement and reducing lending rates to support enterprises. While Vietnam's budget deficit limits the government's fiscal expansion capabilities, the moderate rate of inflation in the first half of the year has given the State Bank of Vietnam room to use monetary stimulus to achieve the growth target.

The equity market will also see a strong wave of new listings of companies from both the private and public sectors, and the removal of more foreign ownership limits, which will deepen the market and improve its liquidity. These include VP Bank, Viet Capital Securities, Kido Frozen Foods, PV Oil, Techcombank and others.

In terms of sectors, as a long-term quality investor, the Company will maintain its over-weighted exposure to stocks with high growth potential and attractive valuation in the consumer, construction materials, real estate and manufacturing sectors. We will selectively participate in IPOs with a 12-month listing schedule, good prospects and reasonable valuations.

2. *Class B – Realisation Shares*

Redemption History

The initial NAV per share of the Company's Class B shares as of 1 January 2017 was USD 0.5292.

The first compulsory redemption of 116,186,241 Realisation Shares (equivalent to 50% of the total number of Realisation Shares issued on 1st January 2017) was paid out on 17th February 2017. The redemption price was based on 25th January 2017 NAV/share of USD 0.5422.

The second compulsory redemption of 111,538,791 Realisation Shares (equivalent to 48% of the Realisation Shares issued on 1st January 2017) was paid out on 10th March 2017. The redemption price was based on 25th January 2017 NAV/share of USD 0.5422.

The third and final compulsory redemption of all remaining 4,647,449 Realisation shares (equivalent to 2% of the Realisation Shares issued on 1st January 2017) was paid out on 21st April 2017. The redemption price was based on 31st March 2017 NAV/share of USD 0.7177.

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Based on the final redemption proceeds, each Class B share received total distributions of USD 0.5457 per share, equal to 103.1% of the share NAV at 1st January 2017 as shown in the table below.

	Date	NAV/Share (A)	Percentage Redeemed (B)	Value (A x B)
Initial NAV	1/1/17	0.5292		-
1 st redemption	17/2/17	0.5422	50%	0.2711
2 nd redemption	10/3/17	0.5422	48%	0.2603
3 rd redemption	21/4/17	0.7177	2%	0.0144
TOTAL				0.5457

As of 30th June 2017, the Company's Class B shares are fully redeemed and no longer holds any assets or liabilities. This share class no longer exists and is unavailable for investment.

3. Class C – Private Equity Shares

NAV Update

The NAV per Class C share as of 30 June 2017 was USD 0.3435, up 0.26% from USD 0.3426 as of 1 January 2017.

Exposure and Performance

The gross returns by asset class are summarized in the table below and discussed in detail in the following section.

Asset Class	Exposure on 30 June 2017
Invested Securities	96.0%
Cash and Others*	4.0%
Class C shares	100%

*Includes accruals and liabilities

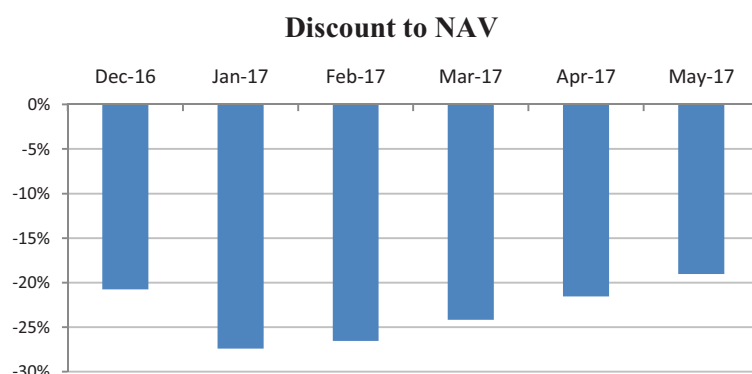
Sector Exposure – 30 June 2017	Total
Agriculture	35.7%
Real Estate Mgmt & Devt	15.6%
Building Materials	13.6%
Pharmaceuticals	12.3%
Information Technology	6.2%
Others	16.6%
Total	100%

Discount to NAV Analysis

The indicative prices of the Company's Class C shares are at a discount of between 19.0% to 27.4% to the NAV of the Company's Class C shares from 30 Dec 2016 to 31 May 2017.

VIETNAM PHOENIX FUND LIMITED

INVESTMENT MANAGER'S REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2017



Performance Commentary

The 5 largest holdings of the Class C shares as of 30 June 2017 are listed below:

Top 5 Holdings			
Rank	Security Name	Market Value (USD)	% of NAV
1	GreenFeed	49,057,745	33.7%
2	Corbyns International	19,811,859	13.6%
3	Anova Corp	17,964,127	12.3%
4	NBB Investment Corp	11,472,044	7.9%
5	Anphat Plastic and Green Env	9,934,963	6.8%
	Total	108,240,738	74.3%

3. Class C share Portfolio Performance

The Class C share portfolio returned 0.26% during the first 6 months of 2017 due to an increase in An Phat's share price. An Phat's share price increased by 47.65% in H1-2017¹³ as a result of improving business sentiment and change of listing to the Ho Chi Minh Stock Exchange. The company has also gained approval to increase its foreign ownership limit from 32% to 51% in H1-2017.

The detractors to the Class C share portfolio performance in H1-2017 were Anova Corporation and GreenFeed Vietnam Corporation as the companies were affected by a slowdown in the Vietnam feed industry due to China's temporary ban on pig imports from the country.

The Company's Private equity (PE) investments are re-valued on a semi-annual basis.

¹³ Source: Bloomberg

VIETNAM PHOENIX FUND LIMITED

INVESTMENT MANAGER'S REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2017

3.1. GreenFeed Vietnam Corporation

In May 2010, the Company made an USD 9.5 million investment in GreenFeed Vietnam Corporation (GFVN), a leading producer of animal feed. The investment was made via USD 4.0 million in secondary shares and USD 5.5 million in a convertible instrument, for a fully diluted 17.2% stake in the company. In June 2014, the Company invested USD 0.7 million to purchase additional secondary shares and converted the existing convertible instrument into shares. This increased the Company's fully diluted stake in GFVN to 17.9%.

GFVN is the second largest domestic player in animal feed competing against large foreign companies like Charoen Pokphand of Thailand and Cargill of US. GFVN is among the top five players (including foreign companies) who collectively account for approximately 60% of total market share. Given the highly fragmented nature of the market, GFVN is gearing up to capture a larger share in the next few years. The company is looking to expand capacity further given that their existing factories are operating at close to 100% utilization.

For H1-2017, net sales were down 3.3% YoY and the company was slightly above breakeven point due to falling prices of pork, caused by China's temporary ban on pig imports from Vietnam. EBIT margins also decreased from 7.4% in H1-2016 to 0.7% in H1-2017 as GreenFeed provides more incentives for distributors to sell the company's feed products and maintain market share. Nevertheless, the feed industry is expected to recover in H2-2017 as China lifts ban on pork imports from Vietnam. The slowdown in the animal feed industry is positive for large feed players such as GreenFeed as it has accelerated the consolidation of the animal feed market in Vietnam.

There is currently no trading market for this investment in GreenFeed. As of 30 June 2017, the valuation of the Company's position stood at USD 49.06 million.

3.2. Corbyns International Limited

In February 2013, the Company invested USD 12.2 million via a convertible loan in Corbyns International Limited (Corbyns), which owns Vietnam Industrial Investments (VII). Listed on the ASX, VII is a leading steel manufacturer, primarily manufacturing wire rods and rebars used in construction and infrastructure projects. The Company indirectly owns 24.4% of Corbyns.

This investment is a special situation opportunity which resulted in favourable terms for the Company. Corbyns is amongst the top five steel manufacturers in Vietnam which control more than 50% of the market. VII's key brands are well recognized in the marketplace and they remain the leading brand in their own product segments. VII maintains a robust distribution platform that includes 30 tier I distributors and 100 tier 2 distributors across all regions of Vietnam; they are, however, particularly strong in Northern Vietnam.

There is currently no trading market for the convertible loan. As of 30 June 2017, the Company's position was valued at USD 19.81 million.

VIETNAM PHOENIX FUND LIMITED

INVESTMENT MANAGER'S REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2017

3.3. Anova Corporation

In May 2011, the Company made a USD 8.7 million investment in Anova Corporation (“Anova”) via 3-year convertible bonds, extended for another two-year period through 2015. In June 2012, the Company invested USD 1.7 million, exercising its pre-emptive right to subscribe to ordinary shares via a rights issue for Anova to acquire an animal feed company. In September 2015, the Company invested USD 2.2 million via a second rights issue for Anova to expand the animal feed business. The synergies available between feed, feed additives and animal health products will create opportunities over the next few years for Anova to gain market share and penetrate new markets. IFC closed its USD 15 million investment in June 2016. As such, the Company’s total fully diluted stake in Anova is 16.3%.

Anova is the leading manufacturer of veterinary health products in Vietnam as well as the leading importer and distributor of raw materials for the animal health and feed sectors. Anova maintains a market share of 17% in the manufacturing and sale of finished veterinary products with the next closest competitor, Vemedin, at 12% of the total market.

For H1-2017, net sales increased 5.5% YoY and net income decreased 62.6%. Similar to GreenFeed, Anova was exposed to the temporary slowdown in the Vietnam feed industry. However, the feed industry is expected to recover in H2-2017 as China lifts ban on pork imports from Vietnam.

There is currently no trading market for the convertible bonds or ordinary shares. As of 30 June 2017, the Company’s position was valued at USD 17.96 million.

3.4. NBB Investment Corporation JSC

In December 2010, the Company invested USD 10.7 million in redeemable convertible preference shares (RCPS) issued in a private placement by NBB Investment Corporation JSC (NBB). In August 2013, the Company invested USD 1.2 million in NBB’s rights issue to subscribe to additional ordinary listed shares. In October and November 2013, the Company received the first instalment of USD 1.48 million from NBB as compensation for financial underperformance. In December 2013, the company’s RCPS were converted into ordinary listed shares. In July 2014, the Company invested USD 1.2 million in NBB via a rights issue. In December 2014, the Company received USD 0.5 million from NBB for financial underperformance. In September 2015, the Company invested USD 2.4 million in convertible bonds. In May 2016, the Company received USD 0.5 million from NBB for financial underperformance. In addition, the Company is expected to subscribe to NBB’s new rights issue in H2-2017. The Company’s fully diluted stake in NBB is 15.0% and is currently held in listed shares and convertible bonds.

Listed on the Ho Chi Minh City Stock Exchange (HOSE), NBB is an investment holding company focused on developing Grade C residential property that is typically priced at USD 700-1,000/sqm. NBB is a play on fundamental trends such as rising urbanization and a growing middle class that are stimulating demand for affordable housing in Vietnam, particularly in Ho Chi Minh City. The company’s large, low-cost land bank and a pipeline of projects, make it well-positioned to become a direct beneficiary of these trends. In H1-2017, CII, a major shareholder in NBB, had increased its stake in the company to over 30%.

VIETNAM PHOENIX FUND LIMITED

INVESTMENT MANAGER'S REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2017

For Q1 2017, net sales were down 9.3% YoY to VND 9.6 billion due to delay in revenue recognition. NBB's most active project in 2015, City Gate, is 100% sold and under construction. However, revenue recognition for City Gate will only occur in Q2-2017 when the units are handed over to buyers. At the end of 2016, NBB also sold 80% of total units for Diamond Riverside. The company expects 100% sales of units for Diamond Riverside to be completed in 2017 and revenue recognition for Diamond Riverside to occur in 2019.

As of 30 June 2017, the investment was valued at USD 11.47 million.

3.5. An Phat Plastics and Green Environment JSC

At the end of 2007, the Company made a USD 2.0 million equity investment in An Phat Plastics and Green Environment JSC (An Phat). In April 2009, the Company made a follow-on investment of USD 2.8 million via a convertible bond to fund An Phat's expansion plans.

An Phat is the largest plastic recycler in North Vietnam. The recycled plastic is manufactured into bio-degradable plastic bags and re-usable plastic bags for both the domestic and international markets.

An Phat was listed on the Hanoi stock exchange in 2010, the Company exited its equity portion by selling the shares in the open market. In December 2012, the convertible bond of An Phat was partially redeemed and the balance was favourably restructured into ordinary listed shares of An Phat. In February 2014, the Company sold 10,000 listed shares of An Phat in the open market. In September 2014, the Company invested USD 1.4 million in An Phat via a rights issue for An Phat to set up a factory in Laos. In November 2016, An Phat was delisted from Hanoi stock exchange and listed on Ho Chi Minh stock exchange. In May 2017, the company increased its foreign ownership limit from 32% to 51%. The Company currently owns 11.0% of An Phat.

For Q1-2017, An Phat's net sales increased 72.1% YoY to VND 728.7 billion due to volume growth and net income increased 135.9% YoY to VND 66.9 billion.

As of 30 June 2017, the Company's position was valued at USD 9.93 million based on the stock price. The stock price has increased by 47.6% to VND 34,550/share as of end June 2017, on the back of improving business sentiment, listing on Ho Chi Minh Stock Exchange and increase in foreign ownership limit.

3.6. VTC Online

In July 2012, the Company made a USD 10.0 million investment via subscription of ordinary shares, in VTC Online, an online games publisher in Vietnam. The Company owns 19.5% of VTC Online.

For Q1 2017, net sales decreased 62.8% YoY and net income decreased 94.8% YoY due to loss of social games. The company underwent a cost rationalisation exercise last year and now is re-focusing its resources to the mobile space namely in three areas; i) games, ii) education, and iii) ecosystem platform.

There is currently no trading market for the ordinary shares. As of 30 June 2017, the Company's position was valued at USD 8.97 million.

VIETNAM PHOENIX FUND LIMITED

INVESTMENT MANAGER'S REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2017

Outlook for Class C share Portfolio

The investment objective for the Class C share Portfolio is to realise the assets in an orderly manner that seeks to achieve a balance between maximising the value of the Portfolio and returning cash to shareholders promptly by means of pro rata redemptions of Private Equity Shares.

In the next 12-18 months, we anticipate that some of the investee companies could seek to IPO, list on one of Vietnam's two stock exchanges or be acquired by a corporate or strategic investor. Such events will give the Investment Manager an opportunity to consider exiting the investments.

The Investment Manager is in discussions with potential buyers on a number of the Private Equity investments. The listed equity investments held by the Class C share Portfolio are illiquid with minimal trading on the exchanges. The Investment Manager is therefore negotiating realisations of these investments on the basis of block sales of shares.

It is the intention of the Investment Manager to recommend mandatory pro rata redemption of proceeds as and when investments are realised.

4. Market Overview

Accelerated GDP growth in most sectors – Vietnam's GDP rose 6.17% YoY¹⁴ in the second quarter of 2017, bringing GDP growth in H1-2017 to 5.73% , surpassing the 5.52%¹⁴ growth in H1-2016. The Services sector registered the highest growth of 6.85% YoY¹⁴, contributing the largest proportion to the overall increase. In addition, the Industrial and Construction sector also witnessed a 5.81%¹⁴ growth in H1-2017, thanks to the manufacturing & processing sub-sector with the highest increase of 10.52%¹⁴. Finally, the Agriculture sector had recovered with a 2.65% YoY¹⁴ rise after the adverse impact from salinity and drought issues which impacted growth in the previous year. In contrast, the mining sub-sector was the main detractor to GDP growth momentum in H1-2017 with a negative growth of 8.2%¹⁴.

Inflation eased due to a decline in the price of foodstuff – The country's inflation rate rose only 1.52% YoY¹⁴ while CPI increased 4.15% YoY¹⁴ on average during H1-2017. The low inflation resulted from a decline in prices of pork and chicken eggs due to oversupply. However, the low inflation has supported consumer confidence and purchasing power, reflected by a real growth of 8.4% YoY¹⁴ in retail sales of goods and services over the first half of the year, higher than the 8.1% YoY¹⁴ growth in H1-2016. It is expected that consumption will remain positive until the end of 2017, on the back of benign inflation and solid tourism expansion, which has become a critical driver for stronger growth in the service sector.

Credit growth exhibited the highest rate in the last six years – In the first half of 2017, total means of payment increased by 5.69% YoY¹⁵ compared with the end of 2016 (+8.07% YoY¹⁵). Capital raising by credit institutions increased by 5.89% (+8.23% YoY¹⁵), while credit growth in the first half of 2017 reached 7.54% YoY¹⁵, the highest rate in the last six years.

¹⁴ Source: General Statistics Office of Vietnam

¹⁵ Source: State Bank of Vietnam

VIETNAM PHOENIX FUND LIMITED

INVESTMENT MANAGER'S REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2017

This new record reflects the market's ability and capacity to absorb capital. In spite of pressure on increasing interest rates, the common interest rate of credit institutions was still stable. Specifically, the mobilizing rates were at 4.8-5.4% p.a for less than 6 month terms and at 5.4-7.2% p.a for more than 6 month terms.

The State Bank of Vietnam (SBV) has officially announced to cut lending interest rates by 0.25% for the first time since March 2014 in order to support businesses and boost economic growth. This interest rate cut has taken into effect since 10 July 2017. Particularly, the SBV decided to reduce the annual refinancing rate by 0.25% points to 6.25% p.a from 6.5% p.a. The discount rate to 4.25% p.a from 4.5% p.a for overnight electronic interbank rate. The interest rate between the SBV and credit institutions has also been lowered to 7.25% p.a from 7.50% p.a. In time, the SBV will manage money supply in a more flexible manner, supporting credit institutions to reduce lending rates; regulating credit growth of the whole banking sector to about 18%. The SBV will adjust it in line with practical developments of the macro-economy and banking operations, while enhancing inspection and supervision to tackle violations related to interest rates.

Trade deficit signals more export growth – Trade balance recorded a deficit of USD 2.7 billion in H1-2017, compared to a trade surplus of USD 1.5 billion in the same period last year. Exports picked up 18.9% YoY¹⁶ during H1-2017, of which exports from foreign-invested enterprises maintained strong growth momentum, totalling USD 70.8 billion (+21% YoY)¹⁶. The export hiked was mainly attributed by mobile devices and accessories (+18.3% YoY¹⁶) and electronics (+42.3% YoY¹⁶). At the same time, labour-intensive manufacturing exports such as garments and textiles, footwear also posted a 7% YoY¹⁶ and 11.6% YoY¹⁶ growth respectively. Meanwhile, import turnover inched 24.1% YoY¹⁶ and reached USD 100.5 billion. Investment in machinery and equipment, raw materials and components for manufacturing purposes contributed 70% of import turnover. This is likely to result in more export growth in the next 6-12 months as finished products come onto the market.

Registered Foreign Direct Investment (FDI) stood at USD 19.2 billion in H1-2017, representing a 54.8% YoY¹⁶ growth, of which 14% flowed into property sector. The hike was mainly attributed by the Nghi Son 2 Power plant (USD 2.8 billion), Samsung Display (USD 2.5 billion), Nam Dinh Power plant (USD 2.1 billion) and Block B – O MON pipeline (USD 1.3 billion). On the other hand, disbursed FDI continued to stay on track, increasing 6.5% YoY to USD 7.7 billion in H1-2017.

In terms of foreign exchange, the Vietnam Dong has been stable in H1-2017 and it is one of the most stable currencies in the region. It appreciated 0.13%¹⁷ against the USD despite the two interest rate hikes by the U.S Federal Reserve. The good performance of the Vietnam Dong was possible thanks to the effective and flexible monetary policies of the SBV, growing numbers of foreign institutional investors (FII) and FDI disbursements. However, the Vietnam Dong may depreciate slightly in the upcoming quarters due to higher demand on imports.

Overall – The Vietnamese economy is growing moderately, from the disappointing first quarter GDP growth of 5.65% YoY to 6.17% YoY in Q2-2017, on the back of revived agriculture and strong manufacturing and services sectors. Meanwhile, the reduction in oil production was the main factor that constrained the country's GDP growth in H1-2017. Trade balance fell into deficit mainly due to the import of machinery and equipment, possibly indicating a higher export growth during the next period.

¹⁶ Source: General Statistics Office of Vietnam

¹⁷ Source: Viet Capital Securities

VIETNAM PHOENIX FUND LIMITED

INVESTMENT MANAGER'S REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2017

Risks In The Second Half Of 2017

Whilst the Fund Manager is fully aware of the inherent risks of investing in an emerging market such as Vietnam, additional attentions should be drawn to the following uncertainties and principal risks which could adversely impact the Company's performance over the next six-month period:

Widening public debt/GDP ratio – The state budget revenue rose 13.9% YoY¹⁸ and reached USD 24.8 billion in H1-2017 while expenditure grew at slower rate of 8.3% YoY to USD 25.6 billion. This resulted in a budget deficit of USD 0.86 billion, much lower as compared to USD 3.7bn in H1-2016, thanks to slower allocation and disbursement of capital for basic construction investment. At the end of 2016, Vietnam's public debt was 63.7%¹⁸ of GDP, higher than 61.3%¹⁸ in 2015 and the ratio trended towards the legal-mandated ceiling of 65%. The increase in public debt resulted in a growing burden of interest expenses on the State budget, preventing the Government from pursuing higher GDP growth through fiscal policy in 2017.

Slower than expected progress on structural reforms – According to the steering committee for SOE reform, which held its mid-year review on July, the State plans to equitize between 40 and 45 SOEs in 2017. However as of June, only 6 SOEs have completed the equitization process, while 14 other SOEs equitization plans are still pending approval. The remaining SOEs are under the process of determining valuation.

Loan to deposit ratio/duration mismatch – According to the State Bank of Vietnam, the ratio of short term funding used for medium-long term lending is currently capped at 50%. However, this will be lowered to 40% from 1st January 2018 (according to Circular 36 and 06). Several banks such as BID, STB and EIB are currently above the 40% limit¹⁹ and would have to either increase their medium-long term funding or reduce their issuance of new loans. As mentioned earlier, credit growth has been growing rapidly in a bid to prop up GDP growth, however this might have to be scaled back if banks are unable to keep within their regulatory limits. Constraining credit growth would then make it more difficult for Vietnam to achieve its 2017 GDP growth target.

General Outlook

The Asian Development Bank (ADB) forecasts that Vietnamese GDP growth will be 6.5% in 2017. According to ADB, manufacturing will be boosted by the continued opening of new foreign-invested on the back of a record FDI disbursement of USD 15.8 billion last year, upside 9% YoY as well as USD 19.2 billion worth of registered FDI in H1-2017, up 54.8% against the same period last year, announced by the Foreign Investment Agency under the Ministry of Planning and Investment. In addition, the SBV issued Decision No. 1424 and Decision No. 1425 on the interest rate cut, in which discount rate and financing rate will be reduced by 25bps to 4.25% and 6.25% respectively. As a result, this interest rate cut may potentially uplift the GDP growth in the near future. The second half of the year will also have several high profile IPOs such as VP Bank (completed in July 2017), Techcombank, PV Oil and Binh Son Refinery, providing a good catalyst for the stock market.

¹⁸ Source: State Bank of Vietnam

¹⁹ Source: HSC Securities

VIETNAM PHOENIX FUND LIMITED

INVESTMENT MANAGER'S REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2017

List of holdings as of June 30, 2017			
Share Class	Security Name	Ticker	Value (USD)
Class A			76,573,079
	FPT CORP	FPT VN Equity	9,131,815
	GTNFOODS JSC	GTN VN Equity	2,635,767
	HO CHI MINH CITY SECURITIES	HCM VN Equity	1,689,873
	HOA PHAT GROUP JSC	HPG VN Equity	5,378,734
	HOA PHAT GROUP RIGHTS	NA	403,405
	HOA SEN GROUP	HSG VN Equity	5,488,984
	HATIEN 1 CEMENT JSC	HT1 VN Equity	1,449,936
	KINH BAC CITY DEVELOPMENT SH	KBC VN Equity	3,774,664
	KIDO FROZEN FOODS	KDF VN Equity	410,783
	KHANG DIEN HOUSE TRADING AND	KDH VN Equity	2,964,982
	MOBILE WORLD INVESTMENT CORP	MWG VN Equity	2,594,252
	PETROVIETNAM NHON TRACH 2 PO	NT2 VN Equity	1,752,134
	NO VA LAND INVESTMENT GROUP	NVL VN Equity	3,364,072
	REFRIGERATION ELECTRICAL ENG	REE VN Equity	1,655,815
	SAIGON SECURITIES INC	SSI VN Equity	1,750,513
	SAIGON THUONG TIN COMMERCIAL	STB VN Equity	41,503
	THIEN LONG GROUP CORP	TLG VN Equity	3,296,709
	BANK FOR FOREIGN TRADE JSC	VCB VN Equity	3,142,785
	VIETCAPITAL SECURITIES JSC	VCI VN Equity	739,079
	VINH HOAN CORP	VHC VN Equity	2,029,739
	VIETNAM DAIRY PRODUCTS JSC	VNM VN Equity	14,415,918
	VIETNAM ENTERPRISE INV LTD-R	VEIL LN Equity	5,242,185
	VIETNAM CONTAINER SHIPPING	VSC VN Equity	3,219,433
Cash and others			8,766,664
Total before Redemptions			85,339,742
Redemptions for 30th June 2017			(8,960,475)
Total after Redemptions			76,379,267

VIETNAM PHOENIX FUND LIMITED

INVESTMENT MANAGER'S REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2017

List of holdings as of June 30, 2017			
Share Class	Security Name	Ticker	Value (USD)
Class C			139,776,344
	ANOVA CORPORATION - CB	NA	10,920,086
	ANOVA CORPORATION - ordinary shares	NA	7,044,041
	ANPHAT PLASTIC AND GREEN ENV	AAA VN Equity	9,934,963
	BINH CHANH CONSTRUCTION	BCI VN Equity	4,780,868
	CAN DON HYDRO POWER JSC	SJD VN Equity	1,291,560
	Corbyns International Limited (VIETNAM)	NA	19,811,859
	DINH VU PORT INVESTMENT & DE	DVP VN Equity	1,977,476
	GREENFEED - ordinary shares	NA	49,057,745
	HA DO JSC	HDG VN Equity	4,755,496
	NATIONAL SEED JSC	NSC VN Equity	2,877,128
	NBB Rights	NA	1,321,103
	NBB INVESTMENT CORP	NBB VN Equity	7,233,441
	NBB INVESTMENT CORP - CB	NA	2,917,499
	SSGA CONSTRUCTION REAL ESTATE	NA	1,652,770
	TIEN PHONG PLASTIC JSC	NTP VN Equity	5,231,436
	VTC Online	NA	8,968,873
Cash and others			5,781,287
Total			145,557,631

Duxton Asset Management Pte Ltd
August 2017

VIETNAM PHOENIX FUND LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2017

	Notes	30/06/2017 US\$	30/06/2016 US\$
Income			
Net gain on investments at fair value through profit or loss		28,137,870	55,291,649
Total income		28,137,870	55,291,649
Operating expenses	3	(7,627,319)	(14,366,349)
Profit for the period before taxation		20,510,551	40,925,300
Taxation			
Taxation charge	11	-	-
Increase in net assets attributable to holders of redeemable participating shares resulting from operations		20,510,551	40,925,300

The accompanying notes form an integral part of these financial statements.

VIETNAM PHOENIX FUND LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Notes	30/06/2017	31/12/2016
		US\$	US\$
Assets			
Cash and cash equivalents	5	16,684,441	1,238,012
Accounts receivable	6	2,875,246	1,049,199
Financial assets at fair value through profit or loss	14	215,008,636	373,880,460
Total assets		234,568,323	376,167,671
Liabilities			
Accounts payable	7	(12,631,425)	(4,470,116)
Total liabilities		(12,631,425)	(4,470,116)
Net assets attributable to holders of redeemable participating shares		221,936,898	371,697,555
Share capital	8	(166,033,708)	4,237,500
Share premium	9	437,516,980	437,516,980
Capital redemption reserve		21,193,061	21,193,061
Retained (loss)		(70,739,435)	(91,249,986)
Total net assets attributable to holders of redeemable participating shares		221,936,898	371,697,555

The accompanying notes form an integral part of these financial statements.

VIETNAM PHOENIX FUND LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FOR THE SIX MONTHS ENDED 30 JUNE 2017

	Share Capital US\$	Share Premium US\$	Capital Redemption Reserve US\$	Retained losses US\$	Total Net Assets* US\$
Balance at 1 January 2017	4,237,500	437,516,980	21,193,061	(91,249,986)	371,697,555
Share redemptions during the period	(170,271,208)	-	-	-	(170,271,208)
Share subscriptions during the period	-	-	-	-	-
Total comprehensive income	-	-	-	20,510,551	20,510,551
Balance at 30 June 2017	(166,033,708)	437,516,980	21,193,061	(70,739,435)	221,936,898

For the six months ended 30 June 2016

	Share Capital US\$	Share Premium US\$	Capital Redemption Reserve US\$	Retained losses US\$	Total Equity* US\$
Balance at 1 January 2016	4,383,000	442,909,344	16,603,907	(147,206,410)	316,689,841
Repurchase of share capital	-	(948,710)	-	-	(948,710)
Cancellation of share capital	-	-	-	-	-
Total comprehensive income	-	-	-	40,925,300	40,925,300
Balance at 30 June 2016	4,383,000	441,960,634	16,603,907	(106,281,110)	356,666,431

*As detailed in Note 2 below, prior to the restructuring of the Company in January 2017, all shares were classified as equity and following the restructuring, all shares are classified as redeemable participating shares.

The accompanying notes form an integral part of these financial statements.

VIETNAM PHOENIX FUND LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2017

	Notes	30/06/2017 US\$	30/06/2016 US\$
Cash flows from operating activities			
Profit for the period		20,510,551	40,925,300
<i>Adjustment for non-cash items:</i>			
Decrease/(increase) in financial assets at fair value through		158,871,824	(40,489,709)
<i>Changes in operating assets and liabilities</i>			
Increase in accounts receivable	6	(1,826,047)	(67,651)
(Decrease)/increase in accounts payable	7	(799,166)	10,603,372
Total cash generated by operating activities		176,757,162	10,971,312
Cash flows from financing activities			
Repurchase of Share Capital	8	-	(948,710)
Share Redemptions during the period		(161,310,733)	-
Share subscriptions during the period		-	-
Total cash outflow from financing activities		(161,310,733)	(948,710)
Net increase in cash and cash equivalents		15,446,429	10,022,602
Cash and cash equivalents at the beginning of the period		1,238,012	291,929
Cash and cash equivalents at the end of the period		<u>16,684,441</u>	<u>10,314,531</u>

The accompanying notes form an integral part of these financial statements.

VIETNAM PHOENIX FUND LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

1 Incorporation and principal activity

The Vietnam Phoenix Fund Limited (the “Company”) previously known as DWS Vietnam Fund Limited is an exempted company with limited liability formed under the laws of the Cayman Islands on 13 September 2006. The registered office of the Company is located at: DMS House, 20 Genesis Close, P.O. Box 1344, Grand Cayman KY1-1108, Cayman Islands.

The investment objective of the Company is to seek long-term capital appreciation by investing directly or indirectly in a diversified portfolio of securities of companies that do some or all of their business in Vietnam.

The Company seeks to achieve its investment objective through investing primarily in securities of listed and unlisted entities, including Vietnamese-listed companies, overseas companies and unlisted companies. Such entities include listed and unlisted fund vehicles. The Company may also invest in securities issued by governmental agencies.

The Company holds all of its investments through wholly owned subsidiary companies which are special purpose entities (“SPEs”) incorporated outside of Vietnam. The Company has 10 wholly-owned SPEs, incorporated as exempted companies with limited liability in the Cayman Islands having the purpose of acting as trading conduits of the Company. These SPEs have the following names:

1. Epsom Limited
2. Lionel Hill Limited
3. Beira Limited
4. Prime Limited
5. Greystanes Limited
6. Siglap Limited
7. Teignmouth Limited
8. Tewkesbury Limited
9. Kallang Limited
10. Hephaestus Limited

As at the period end all of these SPEs were in operation, with the exception of Teignmouth Limited and Tewkesbury Limited.

As at 30 June 2017 and 31 December 2016, the Company and its SPEs (the “Group”) had no employees. The investment activities of the Group are managed by the Investment Manager and the administration of the Group is delegated to State Street Fund Services (Ireland) Limited (the “Administrator”). The registered office of the Company and SPEs are located at dms House, 20 Genesis Close, P.O. Box 1344, Grand Cayman KY1-1108, Cayman Islands. The Investment Manager controls the Board of Directors of each of the 10 SPEs listed above.

2 Significant accounting policies

Statement of Compliance

These condensed interim unaudited financial statements for the six months ended 30 June 2017 have been prepared in accordance with IAS 34, “Interim Financial Reporting” issued by the Financial Reporting Council, which are adopted pursuant to the procedure provided for under Article 6 of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002. They have also been prepared in accordance with the reporting requirements of the Irish Stock Exchange for closed-ended funds.

VIETNAM PHOENIX FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017 (CONT/D)

2 Significant accounting policies (cont/d)

Statement of Compliance (cont/d)

The condensed interim financial statements do not contain all of the information and disclosures required in the full annual audited financial statements and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2016, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

The accounting policies, presentation and methods of calculation applied by the Company in these condensed interim unaudited financial statements are consistent with those applied by the Company in its financial statements for the year ended 31 December 2016, with the exception of the change in the accounting treatment of the redeemable participating shares.

Before the restructuring of the Company, effective 1 January 2017, as detailed in Note 8, the shares constituted the only class of shares in the Company. All Shares had the same rights, whether in regard to voting, return of share capital and otherwise. Because all the shares were in a single share class, it was a requirement that they be presented as equity in accordance with IAS 32 “Financial Instruments: Presentation”. The standard requires entities to classify puttable financial instruments, or components of instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation as equity.

Following the restructuring of the Company, and the creation of three share classes, all shares in the Company are classified as redeemable participating shares. Redeemable participating shares are redeemable at the shareholder’s option and are classified as financial liabilities. A redeemable participating share can be put back to the Company at any time for cash equal to a proportionate share of the Company’s net asset value. A redeemable participating share is carried at the redemption amount that is payable at the Statement of Financial Position date if the shareholder exercises the right to put the share back to the Company.

These condensed interim financial statements are unaudited. We note that the statutory auditor’s report in the Company’s annual audited financial statements for the year ended 31 December 2016 was unqualified.

a) **Basis of preparation**

The financial statements are presented in US Dollars. The functional currency of the Company is the US Dollar, reflecting the fact that all subscriptions received were denominated in US Dollars. The financial statements are prepared on a fair value basis for financial assets at fair value through profit or loss and for derivative financial instruments which are held for trading. Other financial assets and liabilities are stated at amortised cost.

The accounting policies have been applied consistently by the Company to both periods presented in the financial statements.

Going Concern:

The financial statements have been prepared on a going concern basis.

Accounting estimates and judgments

The preparation of the consolidated financial statements, in accordance with EU IFRS, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the year. Actual results could differ from those estimates.

In preparing these condensed interim financial statements, the significant judgements made by the management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements as at year ended 31 December 2016.

VIETNAM PHOENIX FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017 (CONT/D)

2 Significant accounting policies (cont/d)

b) New accounting standards, amendments and interpretations

New standards, amendments and interpretations issued but not effective for the financial period beginning 1 January 2017 and not early adopted

IFRS 9 “Financial Instruments” was issued in July 2014 and will become effective for the periods beginning on or after 1 January 2018. The new standard is not expected to have a significant impact on the Company’s financial position, performance or disclosures in its financial statements.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant effect on the Company.

3 Operating expenses	Notes	30/06/2017	30/06/2016
		US\$	US\$
Investment Manager			
Investment Management fee	12	(1,912,390)	(2,930,748)
Investment Advisory fee	12	(1,268,066)	(229,408)
Performance fee	12	(3,787,010)	(10,500,753)
		<u>(6,967,466)</u>	<u>(13,660,909)</u>
Custodian			
Custodian fees	10	(198,274)	(194,661)
		<u>(198,274)</u>	<u>(194,661)</u>
Administrator			
Administration fees		(166,007)	(205,747)
Transfer Agency fees		(3,000)	(3,000)
		<u>(169,007)</u>	<u>(208,747)</u>
Other expenses			
Directors’ fees	4,12	(95,155)	(100,000)
Directors’ Insurance		(14,875)	(17,500)
Professional fees		-	(14)
Audit fee		(21,328)	(28,978)
Miscellaneous expenses		(161,214)	(155,540)
		<u>(292,572)</u>	<u>(302,032)</u>
Total Operating Expenses		<u><u>(7,627,319)</u></u>	<u><u>(14,366,349)</u></u>

4 Directors’ Remuneration

The Board determines the fees payable to each Director. At the Annual General Meeting of the Company held on 31 December 2015, a special resolution was passed to amend the Articles of Association of the Company to change the maximum remuneration from US\$75,000 in aggregate for the Board to US\$75,000 per Director per annum. Directors’ fees paid by the Company for the period ended 30 June 2017 were US\$95,155 (30 June 2016: US\$100,000).

5 Cash and cash equivalents

	30/06/2017	31/12/2016
	US\$	US\$
Cash and bank balances	16,684,441	1,238,012
	<u>16,684,441</u>	<u>1,238,012</u>

All cash and bank balances are held with State Street Bank & Trust Company, which is rated AA- by Standard & Poor’s (31 December 2016: AA-).

VIETNAM PHOENIX FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017 (CONT/D)

6 Accounts receivable	30/06/2017	31/12/2016
	US\$	US\$
Sales awaiting settlement	1,669,202	-
Dividend receivable	825,260	-
Interest receivable	380,784	-
Retention fee receivable*	-	1,049,199
	2,875,246	1,049,199

*Upon the divestment of the Prime Group in April 2013, a portion of the sales proceeds (US\$ 2,681,548) was held in escrow until 31 December 2016, to provide a tax indemnity to the buyer. During 2015, the retention amount was reduced by US\$ 1,700,000 to US\$ 981,548. The final retention fee, reimbursed to the Company in January 2017, was US\$ 1,049,199.

7 Accounts payable	30/06/2017	31/12/2016
	US\$	US\$
Payable for Fund Shares Redeemed	(8,960,475)	-
Accrued Investment Management Fee**	(292,863)	(554,092)
Accrued Performance Fee**	(3,100,088)	(3,410,498)
Accrued Other Fees	(277,999)	(505,526)
	(12,631,425)	(4,470,116)

**Refer to Note 12 for details.

8 Share capital

Redeemable Participating Shares

On incorporation of the Company on 13 September 2006, the authorised share capital was US\$500,000,000 made up of 500,000,000 shares of a par value of US\$1.00 each, having the rights set out in the Articles. By virtue of an Ordinary Resolution of the Company passed on 19 December 2008 and with the sanction of an Order of the Grand Court of the Cayman Islands dated 31 July 2009, the authorised share capital was amended to US\$10,000,000 made up of 1,000,000,000 shares of a par value of US\$0.01 each. Consequently, and by virtue of a Special Resolution of the Company passed on 19 December 2008 and with the sanction of an Order of the Grand Court of the Cayman Islands dated 31 July 2009, the issued share capital of the Company was reduced from US\$486,931,392 made up of 486,931,392 shares of US\$1.00 each, to US\$4,869,314 made up of 486,931,392 shares of US\$0.01 each.

Following the restructuring, which became effective on 1 January 2017, the Company's share capital was split into three distinct share classes. For every share owned previously, shareholders who opted for the "Continuation Option" received 1 Continuation share (Class A) and 1 Private Equity Share (Class C), while shareholders who opted for the "Realisation Option" received 1 Realisation share (Class B) and 1 Private Equity share (Class C). The Class B Shares shall have no voting rights nor any right to attend a general meeting of the Fund. The issued share capital of the Company as at period end 30 June 2017 is 117,393,732 Continuation Shares (Class A) and 423,750,000 Private Equity Shares (Class C). All Realisation Shares were redeemed in the period from 1 January to 31 March 2017.

Before the restructuring of the Company, effective 1 January 2017, the shares constituted the only class of shares in the Company. The Company had originally issued one subscriber share which was subsequently repurchased by the Company at par. All Shares had the same rights, whether in regard to voting, dividends, return of share capital and otherwise.

VIETNAM PHOENIX FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017 (CONT/D)

8 Share capital (cont/d)

Redeemable Participating Shares (cont/d)

The investment objectives of the Company are outlined in Note 1. The Company strives to invest its capital to purchase investments that meet the Company's investment objectives while maintaining sufficient liquidity.

Subject to the approval of the Irish Stock Exchange, the Company may hold treasury shares through one of its 10 wholly-owned special purpose vehicles as listed in Note 1, by way of a re-purchase of any issued shares.

The Investment Manager has the sole discretion to direct the purchase or sale of such treasury shares of the Company where, in its discretion, it considers that there is a significant difference between the Net Asset Value ("NAV") per share and the trading price per share on the Irish Stock Exchange, but subject to certain conditions as detailed in the POM.

As at 30 June 2017, the Company did not hold (31 December 2016: Nil) any treasury shares as part of its investment portfolio, following the cancellation of all shares held by Teignmouth Limited, a wholly owned subsidiary, on 7 September 2016. The cancellation of the shares was shown as a movement through the share premium and share capital accounts and transferred to the capital redemption reserve as disclosed in the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares.

Share transactions during the period ended 30 June 2017:

	Class A shares	Class B shares	Class C shares
	30/06/2017	30/06/2017	30/06/2017
Shares in issue at beginning of period	191,377,519	232,372,481	423,750,000
Shares issued during the period	-	-	-
Shares redeemed during the period	73,983,787	232,372,481	-
Shares in issue at end of period	117,393,732	-	423,750,000
Net Asset Value for holders of shares	US\$76,379,267	US\$0	US\$145,557,631
Net Asset Value per share	US\$0.6506*	US\$0	US\$0.3435

*Supplemental information to this report provides a reconciliation of the dealing NAV per share and the NAV per share per these IFRS financial statements for Class A shares.

Share transactions during the period ended 30 June 2016:

	Ordinary shares
	30/06/2016
Shares in issue at beginning of period	438,300,000
Shares issued during the period	-
Shares redeemed during the period	-
Shares in issue at end of period	438,300,000
Net Asset Value for holders of shares	US\$366,205,774
Net Asset Value per share	US\$0.8355

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to be able to meet liabilities as they fall due. The Board monitors the return on capital, which the Company defines as results from operating activities divided by total shareholders' equity.

9 Share premium

	30/06/2017	31/12/2016
	US\$	US\$
Balance at start of period/year	437,516,980	442,909,344
Balance at end of period/year	437,516,980	437,516,980

VIETNAM PHOENIX FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017 (CONT/D)

10 Significant Agreements

Custodian

State Street Custodial Services (Ireland) Limited acts as Custodian to the Company, pursuant to the Custodian Agreement dated 10 November 2006. The Custodian fees are charged based on the NAV of the Company (not to exceed 18 basis points per annum) on a monthly basis in arrears as defined in the POM. The Custodian will also be entitled to be reimbursed by the Company for all transaction costs attributable to the Company and incurred by the Custodian from time to time and any appropriately incurred third party fees and expenses, including fees of any sub-custodian appointed by the Custodian at market rates.

Administrator

The Company appointed State Street Fund Services (Ireland) Limited as Administrator to the Company pursuant to an agreement dated 10 November 2006. The Administration fee is billed and payable monthly based on the average monthly net assets. The current rates for the Administration fee are 9 basis points per annum for the first US\$100 million net assets, 8 basis points per annum for net assets between US\$100 and US\$300 million and 6 basis points per annum for net assets in excess of US\$300 million subject to a minimum monthly charge of US\$8,000 per SPE and a maximum fee of 12 bps per annum of the NAV of the Company.

Investment Manager

Pursuant to an agreement dated 15 November 2006, as amended and restated on 30 April 2009 (the “IMA”) the Company had delegated its discretionary investment management function to Duxton Asset Management Pte Ltd as the Investment Manager with effect from 1 October 2016.

The Investment Management fees payable in respect of each share class are as follows:

Class A shares: 1.50% per annum of the NAV of the Class A Shares before any deduction of the management fee for that month and before deduction of any accrued performance fee.

Class B shares: in respect of any redemption payments paid to holders of Class B shares by reference to a redemption date on or before 31 March 2017, 1% of such redemption payments and 0.75% of redemption payments with redemption date after 31 March 2017.

Class C shares: for 2017, 1.50% per annum of the Class C shares NAV as at valuation date 1 January 2017, 1.00% of the Class C shares NAV for 2018 and 0.50% of the Class C shares NAV for periods after 31 December 2018.

Sub Investment Manager and Segregated Fund Manager

With effect from 30 April 2009 (“the effective date”), Deutsche Asset Management (Asia) Limited (“DeAM Asia”), pursuant to its authority and discretion under the terms of IMA, delegated certain of its investment management duties to Duxton, who had been appointed as Sub-Investment Manager. The agreement between DeAM Asia and Duxton terminated on the resignation of DeAM Asia on 30 September 2016 and the appointment of Duxton as Investment Manager on 1 October 2016. The Investment Manager had also appointed a Segregated Fund Manager, PXP Vietnam Asset Management Limited (“PXP”) to manage certain segregated funds of the Company pursuant to the segregated fund mandate detailed in the POM. PXP’s role as Segregated Fund Manager to the Company ceased on 31 December 2016.

VIETNAM PHOENIX FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017 (CONT/D)

10 Significant Agreements cont/d

Performance Fees

A performance fee is payable to Duxton, as Investment Manager. The crystalized performance fee payable to Duxton for the period from 1 January 2017 to 30 June 2017 was US\$1,015,691 (June 2016: US\$4,972,880) of which US\$328,769 was outstanding at the period end (31 Dec 2016: US\$2,436,070).

The Company pays performance fees to the Investment Manager calculated by reference to the unaudited accounts of the Company. The calculation period covers the 12 months ended 31 December.

For each performance period, the performance fee in respect of each share class is as follows:

Class A shares: performance fee will be equal to 15% of the appreciation in the NAV of the share class above the High Water Mark (“HWM”) but only if such appreciation exceeds the Hurdle Rate of 8% per annum, and in each case will be payable on only the appreciation in the NAV above the HWM.

Class B shares: no performance fee is payable for this share class.

Class C shares: the Company will distribute any distributable cash flow (the excess of (i) cash and (ii) any amounts that are required to meet future expenses and obligations of the relevant portfolio), by way of a redemption of shares in the following priority and manner:

- a) First, 100 % to the shareholders until an amount equal to the NAV of each Class C share as at the Initial Subscription Date (the “Initial NAV”) has been paid.
- b) Then, 100 % to the shareholders until they have received an 8% annualised compounded return on the total NAV per share of Class C shares as at the Initial Subscription Date, adjusted for any distributions paid to Class C shareholders after the Initial Subscription date (the “Preferred Return”).
- c) Then, 100% to the Investment Manager until it has received an amount equal to the Relevant Percentage (as defined below) of the aggregate of the Preferred Return and this catch-up provision; and
- d) Thereafter, the Relevant Percentage to the Investment Manager and the balance to the holders of the Class C shares.

The aggregate amount distributable to the Investment Manager in accordance with c) and d) above, is referred to as the Performance Fee.

The Relevant Percentage will be 20% if the performance fee in respect of Class C shares is payable during the first year following the Initial Subscription Date, reducing to 15% if it is payable during the second year and 10% if it is payable thereafter.

11 Taxation

There are no taxes on income or gains in the Cayman Islands and the Company has received an undertaking from the Governor in Council of the Cayman Islands, under the Tax Concessions Law (1999 Revision), exempting it from all local income, profits and capital taxes until 26 September 2026. Accordingly, no provision for income taxes payable in the Cayman Islands is included in these financial statements.

Dividend and interest income received by the Company may be subject to withholding tax imposed in the country of origin. The investment income and any associated withholding tax is recorded in the net gain on investments at fair value through profit or loss in the Consolidated Statement of Comprehensive Income.

The financial statements assume that the tax consequences for the Group as a result of its investments held by the subsidiary companies in Vietnam will be as follows:

VIETNAM PHOENIX FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017 (CONT/D)

11 Taxation (cont/d)

Dividends

The Company will not be subject to any additional corporate income tax in Vietnam on dividends the Company receives from the tax-paid profits of Vietnamese companies. Remittance of the dividends outside of Vietnam is also free of all taxes.

Interest

Effective March 1, 2012, non-resident institutional investors are subject to a 5% withholding tax rate on interest income received from corporate and government bonds and certificates of deposit (CDs).

Disposals

The Company and its non-resident subsidiaries will be subject to a "deemed profits" tax in Vietnam when the Company's subsidiaries dispose of any listed securities, bonds or fund certificates of its investee companies. This tax is equivalent to 0.1% of the proceeds received from the transfer. No relief is allowed for transaction costs and no allowance is taken for the cost of investments (i.e. the existence of actual profits is irrelevant). The tax is netted against the realised gains / (losses) as part of the 'net gain on investments at fair value through profit or loss' within the Consolidated Statement of Comprehensive Income.

For investee companies where the Company invests in the legal / charter capital of limited liability companies or shares in private companies (e.g. certain private equity transactions), the Company will be subject to a "capital assignment" tax on any gain made when the Company sells or transfers this ownership interest or shares to another party. This tax will be charged at a rate of 20% from 1 January 2016 on the difference between the assignment proceeds and the original value of the assigned capital, less the transaction costs. The original value of the assigned capital is the actual capital amount which has been contributed by the transferor as at the assignment date, as supported by and based on accounting books and documents or the price at which the Company has acquired the shares.

Deferred Tax

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the reporting date. Provision is made at the rates expected to apply when the temporary differences reverse.

Temporary differences are differences between the carrying amount of an asset or liability in the Statement of Financial Position and its tax base.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The deferred tax relates to investments held by the subsidiaries and is therefore disclosed in the Consolidated Statement of Comprehensive Income in the net gain on investments at fair value through profit or loss and disclosed in the Consolidated Statement of Financial Position in financial assets at fair value through profit and loss.

The deferred tax position as at 30 June 2017 was US\$Nil (31 Dec 2016: US\$Nil). The movement is reflected in the Consolidated Statement of Comprehensive Income.

VIETNAM PHOENIX FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017 (CONT/D)

12 Related Party Transactions

In accordance with IAS 24 ‘Related Party Disclosures’, the following are the related parties and associated related party transactions of the Company for the period ended 30 June 2017.

Transactions with entities with significant influence;

For the period from 1 January 2017 to 30 June 2017, Duxton earned an Investment Management fee of US\$1,912,390 (June 2016: US\$2,198,061) of which US\$292,863 was outstanding at the period end (31 Dec 2016: US\$427,554). In addition, for that period Duxton also earned a crystalized performance fee of US\$1,015,691 (June 2016: US\$4,972,880) of which US\$328,769 was outstanding at the period end (31 Dec 2016: US\$2,436,070).

Duxton also earned redemption fee from Realisation Pool of US\$ 1,268,066 of which NIL was outstanding at the period end.

Transactions with key management personnel;

The total fees earned by the independent Directors during the period was US\$75,000 (June 2016: US\$86,339).

Transactions with subsidiaries;

In accordance with the POM and the Articles of Association, the Company may structure any or all of its investments through wholly-owned subsidiaries which act as special purpose holding companies incorporated outside Vietnam.

These subsidiaries as listed in Note 1 are managed by Duxton.

13 Interests in other entities

Investment entity status

To adopt the amendment to IFRS 10 and to be exempt from preparing consolidated financial statements, the Company must meet the definition of an Investment Entity (“IE”). The Board has determined that the Company meets both the required criteria and typical characteristics of an IE.

The IFRS 12, “Disclosure of Interests in Other Entities”, disclosures relate to the Company’s involvement with:

- a) Unconsolidated SPEs as listed in Note 1.
- b) Structured entities interests held via SPE subsidiaries.
- c) Associated companies interests held via the SPE subsidiaries.

Interest in unconsolidated IE subsidiary entities

At 30 June 2017, the Company has ten subsidiary entities as defined under IFRS 10. See Note 1 for details. These subsidiary entities are unconsolidated. These are noted as financial assets at fair value in the Consolidated Statement of Financial Position.

Interests in non-subsidiary unconsolidated structured entities

The Board has concluded that it has no directly held unconsolidated structured entities. However it does hold structured entities via its SPE subsidiaries. These structured entity interests form part of the SPE subsidiaries fair value that is reflected in the financial assets at fair value in the Company’s Consolidated Statement of Financial Position.

Interests in associated companies

The Company has concluded that it has two investments in associated companies, held via the SPE subsidiaries. These associated company interests form part of the SPE subsidiaries fair value that is reflected in the financial assets at fair value in the Company’s Consolidated Statement of Financial Position. The Investment Manager is represented on the Board of Directors of these two associated companies and has therefore determined that the Company holds significant influence over these associated companies.

VIETNAM PHOENIX FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017 (CONT/D)

13 Interests in other entities (cont/d)

Interests in unconsolidated IE SPE subsidiaries as at 30 June 2017:

Structured Entity	Nature	Proportion of Ownership Interest Held	Company's holding in Fair Value (US\$)	% of Total Financial Assets at Fair Value through Profit or Loss	Maximum exposure to losses (US\$)
Epsom Limited	Wholly owned subsidiary	100%	49,057,745	22.82%	49,057,745
Lionel Hill Limited	Wholly owned subsidiary	100%	17,964,127	8.36%	17,964,127
Beira Limited	Wholly owned subsidiary	100%	71,317,823	33.17%	71,317,823
Prime Limited	Wholly owned subsidiary	100%	8,968,873	4.17%	8,968,873
Greystanes Limited	Wholly owned subsidiary	100%	5,255,255	2.44%	5,255,255
Siglap Limited	Wholly owned subsidiary	100%	22,385,744	10.41%	22,385,744
Hephaestus Limited	Wholly owned subsidiary	100%	19,811,859	9.21%	19,811,859
Kallang Limited	Wholly owned subsidiary	100%	20,247,210	9.42%	20,247,210
Total			215,008,636	100.00%	215,008,636

VIETNAM PHOENIX FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017 (CONT/D)

13 Interests in other entities (cont/d)

Interests in unconsolidated IE SPE subsidiaries as at 31 December 2016:

Structured Entity	Nature	Proportion of Ownership Interest Held	Company's holding in Fair Value (US\$)	% of Total Financial Assets at Fair Value through Profit or Loss	Maximum exposure to losses (US\$)
Epsom Limited	Wholly owned subsidiary	100%	58,228,185	15.57%	58,228,185
Lionel Hill Limited	Wholly owned subsidiary	100%	19,975,598	5.34%	19,975,598
Beira Limited	Wholly owned subsidiary	100%	194,406,616	52.00%	194,406,616
Prime Limited	Wholly owned subsidiary	100%	8,912,037	2.38%	8,912,037
Greystanes Limited	Wholly owned subsidiary	100%	33,618,653	8.99%	33,618,653
Siglap Limited	Wholly owned subsidiary	100%	22,261,605	5.96%	22,261,605
Hephaestus Limited	Wholly owned subsidiary	100%	19,681,827	5.27%	19,681,827
Kallang Limited	Wholly owned subsidiary	100%	16,795,939	4.49%	16,795,939
Total			373,880,460	100.00%	373,880,460

VIETNAM PHOENIX FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017 (CONT/D)

13 Interests in other entities (cont/d)

Interests in unconsolidated IE SPE subsidiaries as at 31 December 2016: (cont/d)

Of the 10 special purpose companies in operation and listed in Note 1, all were active at 30 June 2017 with the exception of Tewkesbury Limited and at year ended 31 December 2016 with the exception of Tewkesbury Limited. Additionally, the Company continues to consolidate Teignmouth Limited in its financial statements as detailed in Note 2(c). Consequently, these two (Dec 2016: two) special purpose companies are not included in the table above. Furthermore, there are no significant restrictions on the ability of the unconsolidated subsidiaries above to transfer funds or to repay loans or advances made to the unconsolidated subsidiary to the Company and there are no current commitments or intentions to provide financial or other support to the unconsolidated subsidiaries.

VIETNAM PHOENIX FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017 (CONT/D)

13 Interests in other entities (cont/d)

Interests in unconsolidated structured entities as at 30 June 2017.

Structured Entity	Strategy	Company's holding in Fair Value (US\$)	% of Total Net Assets of Structured Entity held by the Company	% of Total Financial Assets at Fair Value through profit or Loss	Maximum exposure to losses (US\$)
Vietnam Enterprise Investments Limited	Primarily listed equity with OTC equity	5,242,185	0.48%	2.44%	5,242,185
Total		5,242,185		2.44%	5,242,185

VIETNAM PHOENIX FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017 (CONT/D)

13 Interests in other entities (cont/d)

Interests in unconsolidated structured entities as at 31 December 2016.

The tables below details the interests in structured entities held by the Company through the SPE subsidiaries, detailed in Note 1.

Structured Entity	Strategy	Company's holding in Fair Value (US\$)	% of Total Net Assets of Structured Entity held by the Company	% of Total Financial Assets at Fair Value through profit or Loss	Maximum exposure to losses (US\$)
Vietnam Enterprise Investments Limited	Primarily listed equity with OTC equity	32,862,098	4.07%	8.84%	32,862,098
Vietnam Blue-Chips Investment Fund	Primarily listed equity with OTC equity	1,197,467	7.87%	0.32%	1,197,467
Total		34,059,565		9.16%	34,059,565

VIETNAM PHOENIX FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017 (CONT/D)

13 Interests in other entities (cont/d)

Interests in associated companies as at 30 June 2017.

The table below details the interests in associated companies held by the Company through the special purpose companies detailed in Note 1.

Associated Company	Nature	Company's holding in Fair Value (US\$)	% of Total Net Assets of Associated Company held by the Company	% of Total Financial Assets at Fair Value through Profit or Loss	Maximum exposure to losses (US\$)
Anova Corporation	Common stock	7,044,041	7.39%	3.28%	7,044,041
Anova Corporation	Long term bond	10,920,086	11.78%	5.08%	10,920,086
Corbyns International Limited	Convertible loan	19,811,859	24.40%	9.21%	19,811,859
Total		37,775,986		17.57%	37,775,986

VIETNAM PHOENIX FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017 (CONT/D)

13 Interests in other entities (cont/d)

Interests in associated companies as at 31 December 2016.

The table below details the interests in associated companies held by the Company through the special purpose companies detailed in Note 1.

Associated Company	Nature	Company's holding in Fair Value (US\$)	% of Total Net Assets of Associated Company held by the Company	% of Total Financial Assets at Fair Value through Profit or Loss	Maximum exposure to losses (US\$)
Anova Corporation	Common stock	7,407,876	7.39%	1.99%	7,407,876
Anova Corporation	Long term bond	12,312,808	11.78%	3.31%	12,312,808
Corbyns International Limited	Convertible loan	19,681,827	24.40%	5.30%	19,681,827
Total		39,402,511		10.60%	39,402,511

VIETNAM PHOENIX FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017 (CONT/D)

14 Financial instruments

The Company's financial risk management objectives and policies continue to be consistent with those disclosed in the Company's audited financial statements as at and for the year ended 31 December 2016.

Fair Value Information and hierarchy

This note describes the fair value measurement of the assets and liabilities of the Company and also the assets and liabilities the Company's wholly owned subsidiaries.

IFRS 13, "Fair value measurement", requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted prices for identical or similar instruments in markets that are considered less than active including securities priced using quotations received from brokers, whenever available and considered reliable; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation and instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

VIETNAM PHOENIX FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017 (CONT/D)

14 Financial Instruments (cont/d)

Fair Value Information and Hierarchy (cont/d)

The following table analyses the fair value hierarchy within the Group's financial instruments measured at fair value at 30 June 2017:

Financial assets and liabilities at fair value through profit or loss	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total Fair Value US\$
Collective Investment Schemes	5,242,185	-	-	5,242,185
Listed Equities	107,306,819	410,783	-	107,717,602
Unlisted Equities	-	-	66,674,896	66,674,896
Rights	-	-	1,724,509	1,724,509
Long Term Bonds	-	-	13,837,585	13,837,585
Convertible Loan	-	-	19,811,859	19,811,859
Total	112,549,004	410,783	102,048,849	215,008,636

Financial assets and liabilities at amortised cost

Cash and cash equivalents	16,684,441	-	-	16,684,441
Other assets	-	2,875,246	-	2,875,246
Other liabilities	-	(12,631,425)	-	(12,631,425)
Net financial assets/(liabilities) at amortised cost	16,684,441	(9,756,179)	-	6,928,262
Total net assets	129,233,445	(9,345,396)	102,048,849	221,936,898

The Company's unconsolidated subsidiary undertakings are categorized as Level 3 as their prices are not quoted but their values are measured on the fair value of the underlying investments and other assets and liabilities including the deferred tax provision, held by these subsidiaries.

VIETNAM PHOENIX FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017 (CONT/D)

14 Financial Instruments (cont/d)

Fair Value Information and Hierarchy (cont/d)

The following table analyses the fair value hierarchy within the Group's financial instruments measured at fair value at 31 December 2016:

Financial assets and liabilities at fair value through profit or loss	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total Fair Value US\$
Collective Investment Schemes	32,862,098	1,197,467	-	34,059,565
Listed Equities	211,217,090	-	-	211,217,090
Unlisted Equities	-	-	75,418,416	75,418,416
Equity options	-	-	-	-
Long Term Bonds	-	-	15,124,492	15,124,492
Convertible Loan	-	-	19,681,827	19,681,827
Total	244,079,188	1,197,467	110,224,735	355,501,390
Cash and cash equivalents	17,147,812	-	-	17,147,812
Other assets	-	7,682,403	-	7,682,403
Other liabilities	-	(6,451,145)	-	(6,451,145)
Deferred tax	-	-	-	-
Net financial assets at fair value through profit or loss	261,227,000	2,428,725	110,224,735	373,880,460
Financial assets and liabilities at amortised cost				
Cash and cash equivalents	1,238,012	-	-	1,238,012
Other assets	-	1,049,199	-	1,049,199
Other liabilities	-	(4,470,116)	-	(4,470,116)
Net financial assets at amortised cost	1,238,012	(3,420,917)	-	(2,182,905)
Total net assets	262,465,012	(992,192)	110,224,735	371,697,555

Transfers between levels of the fair value hierarchy are deemed to have occurred when the pricing source or methodology used to price an investment has changed which triggers a change in level as defined under IFRS 13. There were no transfers between the fair value hierarchy levels during the period ended 30 June 2017 and during the year ended 31 December 2016.

Level 3 Reconciliation

The following table shows a reconciliation of all movements in the fair value of financial instruments categorised within Level 3 during the period ended 30 June 2017:

	Listed &Unlisted Equities US\$	Rights US\$	Long Term Bonds US\$	Convertible Loan US\$	Total US\$
Opening Balance	75,418,416	-	15,124,492	19,681,827	110,224,735
Realised losses	-	-	-	-	-
Unrealised gains/(losses)	(8,743,520)	-	(1,286,907)	130,032	(9,900,395)
Purchases	-	-	-	-	-
Sales	-	-	-	-	-
Transfers out of Level 3	-	-	-	-	-
Transfers into Level 3	-	1,724,509	-	-	1,724,509
Closing Balance	66,674,896	1,724,509	13,837,585	19,811,859	102,048,849

VIETNAM PHOENIX FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017 (CONT/D)

14 Financial Instruments (cont/d)

Fair Value Information and Hierarchy (cont/d)

The following table shows a reconciliation of all movements in the fair value of financial instruments categorised within Level 3 during the year ended 31 December 2016:

	Listed &Unlisted Equities US\$	Long Term Bonds US\$	Convertible Loan US\$	Total US\$
Opening Balance	64,312,636	8,732,198	18,299,092	91,343,926
Realised losses	(1,920,667)	3,651	-	(1,917,016)
Unrealised gains/(losses)	13,026,447	6,386,300	1,382,735	20,795,482
Purchases	-	2,342,182	-	2,342,182
Sales	-	(2,339,839)	-	(2,339,839)
Transfers out of Level 3	-	-	-	-
Transfers into Level 3	-	-	-	-
Closing Balance	75,418,416	15,124,492	19,681,827	110,224,735

As at 30 June 2017, the Company held investments in 7 (Dec 2016: 6) private companies in the form of a combination of illiquid common stock, rights issues, convertible bonds and a convertible loan which are categorized as level 3 investments under IFRS 13. The companies listed hereunder are valued in accordance with the Company's Articles of Association (Article 101(d)(v)) on the basis of valuations provided by Grant Thornton in their report dated 5 July 2017, which are based on information relating to these companies provided by Duxton and approved by the Board.

Sensitivity Analysis of Unlisted Positions

Anova	- Convertible Bond & Equity Position
Corbys	- Convertible Loan
Hoa Phat Group	- Equity Position (rights issue)
Greenfeed	- Equity Position
NBB	- Convertible Bond & Equity Position (rights issue)
SSGA	- Equity Position
VTC Online	- Equity Position

Equity Positions Valuation

In undertaking the valuation of equity investments, the market approach has been applied, specifically the comparable company analysis; and also the income approach, specifically the discounted cash flow method. In the market approach, a basket of listed comparable companies were selected and the median of their multiples calculated. This median multiple was then used to calculate the equity value of each investment. In the discounted cash flow method, the key unobservable inputs are the discount rate and the growth rate.

The range of assumptions used for the base case valuations are as follows:

30 June 2017:

- Discount rate: 12.17% to 12.21%
- Growth rate: 2%
- EV/EBITDA multiple: 7.72 to 9.88

VIETNAM PHOENIX FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017 (CONT/D)

14 Financial Instruments (cont/d)

Fair Value Information and Hierarchy (cont/d)

Equity Positions Valuation (cont/d)

31 December 2016:

- Discount rate: 12.14% to 12.40%
- Growth rate: 2.00% to 3.00%
- EV/EBITDA multiple: 5.39x to 7.82x

In the sensitivity analysis, to calculate the equity value in the best/worst case scenarios, the following variances to the input variables have been applied where applicable to each position:

30 June 2017:

- Changes in the discount rate: +/- 5%
- Changes in the growth rate: +/- 0%
- Changes in EV/EBITDA multiple: +/- 5%

31 December 2016:

- Changes in the discount rate: +/- 5%
- Changes in the growth rate: +/- 0%
- Changes in EV/EBITDA multiple: +/- 5%

Bond and Convertible Bond Positions Valuation

The convertible bond carries with it a straight loan and an equity conversion option. As such valuation of convertible bond includes valuation of a straight bond and valuation of the option.

- The value of straight bond component is based on discounted cash flow method, where cash flows include principal and coupons, assumed to be paid at maturity date and discounted to present value at the current market lending rate. The key unobservable input is the discount rate.
- Value of equity conversion option component is determined using option pricing model - the Black-Scholes model. The key unobservable input is the volatility of the underlying stock price.
- For the purpose of input into Option pricing model, valuation of the underlying equity is also performed, i.e. equity value of the Company, using market approach and discounted cash flow method, based on financial forecasts of the underlying business.

The range of assumptions used for the base case valuations are as follows:

30 June 2017:

- Volatility: 30% to 34.70% - Sensitivity: +/-10%

31 December 2016:

- Volatility: 34.80% to 43.00% - Sensitivity: +/-10%

VIETNAM PHOENIX FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017 (CONT/D)

14 Financial Instruments (cont/d)

Fair Value Information and Hierarchy (cont/d)

Summary of valuation methodologies

The valuation methodologies for each Level 3 holding as at 31 December 2016 are set out hereunder:

Greenfeed: income approach and market approach for equity.

Anova: income approach and market approach for equity and Black-Scholes model for convertible bond.

VTC Online: value from exercising the put option to sell the shares back to the company.

Corbyns International Ltd: amount to be received at maturity date.

NBB Investment Corp: market floating price for equity and Black-Scholes model for convertible bond.

SSG Group: income approach to value SSG's investment in subsidiaries & associates, and market approach for equity.

Valuation conclusion

Based on the information and financial data provided, market information, as well as the analysis, risks and disclaimer presented and discussed in the Grant Thornton Valuation Report, the estimated value range of each Level 3 investment as at 30 June 2017 is presented hereunder:

Level 3 Security	Market Value as at 30 June 2017 US\$	Minimum value US\$	Average value US\$	Maximum value US\$
Greenfeed	49,057,745	45,518,679	48,973,720	52,604,235
Anova (equity)	7,044,041	6,628,434	7,031,976	7,658,536
Anova (convertible bond)	10,920,086	10,319,426	10,901,382	11,838,472
VTC Online	8,968,872	8,953,511	8,953,511	8,953,511
Corbyns	19,811,859	19,811,859	19,811,859	19,811,859
NBB	2,917,499	2,912,502	2,912,502	2,912,502
SSGA	1,604,238	1,495,975	1,601,490	1,707,005

31 December 2016:

Level 3 Security	Market Value as at 31 December 2016 US\$	Minimum value US\$	Average value US\$	Maximum value US\$
Greenfeed	58,228,185	54,278,622	58,358,891	62,711,488
Anova (equity)	7,407,876	6,944,922	7,424,505	7,924,841
Anova (convertible bond)	12,312,808	11,681,334	12,340,447	13,048,317
VTC Online	8,912,037	8,932,042	8,932,042	8,932,042
Corbyns	19,681,827	19,681,827	19,681,827	19,681,827
NBB	2,811,684	2,817,995	2,817,995	2,817,995
SSGA	870,318	807,222	872,261	937,300

VIETNAM PHOENIX FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017 (CONT/D)

15 Segmental Reporting

IFRS 8 ‘Operating Segments’ requires a ‘management approach’ under which segment information is presented on the same basis as that used for internal reporting purposes.

The Board and Duxton are considered the Chief Operating Decision Maker for the purposes of IFRS 8.

Duxton is responsible for decisions in relation to both asset allocation, asset selection and any Segregated Fund Manager delegation. Duxton has been given authority to act on behalf of the Company, including the authority to purchase and sell securities and other investments on behalf of the Company and to carry out other actions as appropriate to give effect thereto. Any changes to the investment strategy outside of the Company POM must be approved by the Board and then the Company’s shareholders in accordance with the terms of the POM and the Company’s Articles.

The Company operates a single operating segment under IFRS 8 with all cash and investment holdings being managed at a Company level. Cash is allocated to Duxton who has full responsibility for the investment of cash for the Company. In addition to cash, there are four separate asset classes namely listed securities, unlisted securities, fixed income securities and collective investment schemes. However, the allocation of resources is based on an analysis of future market expectations by Duxton rather than the past performance of the asset classes. Duxton can further delegate the investment management responsibility for an amount of cash to a Segregated Fund Manager, if required.

The Company is incorporated in the Cayman Islands and its primary objective is to invest directly or indirectly in companies that do some or all of their business in Vietnam. Some of the Company’s investments are held in countries other than Vietnam such as United Kingdom, Germany, Hong Kong, Netherlands and the United States of America which give exposure to Vietnam. All of the Company’s income is from investments in these entities.

The investments are allocated across five separate asset types namely collective investment schemes, listed securities, unlisted securities, fixed income securities and cash and the income earned from these investments is reflected in the Consolidated Statement of Comprehensive Income. The Company has a highly diversified portfolio of underlying investments and no single investment accounts for more than 21.25% of the Company’s net assets.

16 Commitments

There were no commitments to investment as at 30 June 2017 or 31 December 2016.

17 Significant events during the period

The Company has implemented the Restructuring Proposal in early January 2017 as approved by the shareholders. As a result of the restructuring, the Company’s share capital was split into three distinct share classes. For every share owned previously, shareholders who opted for the “Continuation Option” received 1 Continuation share (Class A) and 1 Private Equity Share (Class C), while shareholders who opted for the “Realisation Option” received 1 Realisation share (Class B) and 1 Private Equity share (Class C).

Following the shareholders’ elections of their Continuation Option or Realisation Option in connection with the Restructuring Proposal, the issued share capital held by the Class A and Class B shareholders was 191,377,519 and 232,372,481 shares respectively. No further Class B shares will be offered to investors. The issued share capital held by Class C shareholders was 423,750,000.

VIETNAM PHOENIX FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017 (CONT/D)

17 Significant events during the period (cont/d)

Each share class has a separate pool of assets, investment objectives, investment management fee and performance fee and subscription and redemption provisions, as detailed in the Restructuring Proposal to the shareholders dated 8 December 2016 and in the Private Offering Memorandum (Class A Shares) and Supplements (Class B and Class C shares) to the Private Offering Memorandum, all dated January 2017.

The divestment of the assets in the Realisation Pool has been carried out as expected. All Class B Shares have been redeemed and all proceeds have been returned to shareholders.

On 1 January 2017, the Company's assets and liabilities were split and allocated to the respective pools attributable to the Class A Shares, Class B Shares and Class C Shares in accordance with the terms of the fund restructuring proposal and shareholders' elections (including deemed elections). Holders of Class A Shares and Class C Shares are entitled to attend and vote at all general meetings of the Company and the voting rights per share of each of those classes is the number equal to the last published NAV per share of the relevant class. Class B Shares do not confer any voting rights.

The audited NAV per ordinary share (prior to the restructuring) as at 31 December 2016 was US\$0.8772 per share. Following the restructuring of the Company, and applying the same valuation methodology as used to calculate the audited 31 December 2016 NAV, the respective opening audited NAVs per Class A Share, Class B Share and Class C Share as at 1 January 2017, and their resulting voting rights, were as follows:

Class of Shares	Unaudited NAV per Share	Net Assets Attributable to Class	Aggregate Voting Rights
Class A Shares	USD 0.5410	USD 103,543,405	103,543,405
Class B Shares	USD 0.5292	USD 122,973,044	None
Class C Shares	USD 0.3426	USD 145,181,106	145,181,106
Total		USD 371,697,555	248,724,511

The investment objective of the Class A shares is to seek long-term capital appreciation by investing in a diversified portfolio of Vietnamese related securities. The Class A shares are now open-end with monthly liquidity.

The Class C shares portfolio contains the Company's unlisted and other illiquid investments at the effective date of the restructuring, together with sufficient cash and other liquid assets to meet the Private Equity Portfolio's estimated operating expenses for up to two years. The Class C shares remain closed end and are listed on the Irish Stock Exchange. Investors wishing to transact their shares need to approach one of the market makers.

For more detailed information on these events, please refer to the announcements on the Irish Stock Exchange by the Company's Board of Directors. Links to the announcements can also be found on the Company's website www.vietnamphoenixfund.com.

18 Significant events after the period end

There have been no significant events to disclose since the period end date.

19 Approval of the financial statements

The financial statements were approved by the Board on 23 August 2017.

VIETNAM PHOENIX FUND LIMITED

OTHER INFORMATION

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Auditors

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Chartered Accountants, Statutory Audit Firm,
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Directors

Kevin A Phillip (independent)
Judd Kinne (independent)
Martin Adams (independent)
All Directors are non-executive and independent.

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Investment Manager

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Dealing Enquiries

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Administrator, Registrar and Transfer Agent

State Street Fund Services (Ireland) Limited,
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Legal Advisor to the Company on Irish Law

Matheson,
70 Sir John Rogerson's Quay,
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Legal Advisor to the Company on Cayman Islands Law (appointed 31 May 2016)

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Company Secretary

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VIETNAM PHOENIX FUND LIMITED

SUPPLEMENTAL INFORMATION TO THE CONDENSED FINANCIAL STATEMENTS

Reconciliation to dealing NAV	30/06/2017	31/12/2016
NAV per IFRS financial statements	US\$221,936,898	US\$371,697,555
Adjustments:		
Value of Class A shares redeemed 30 June 2017*	US\$8,960,475	-
NAV per dealing NAV	US\$230,897,373	US\$371,697,555

Reconciliation to dealing NAV for Class A shares	NAV	Number of Shares	NAV per share
IFRS financial statements	US\$76,379,267	117,393,732	US\$0.6506
Adjustments*	US\$8,960,475	13,926,734	US\$0.6434
Dealing NAV	US\$85,339,742	131,320,466	US\$0.6499

*The NAV adjustment of US\$8,960,475 represents the value of redemptions of 13,926,734 Class A shares with trade date 30 June 2017, settlement date 20 July 2017. NAV per share for redeemed shares is the dealing NAV less a 1% redemption fee retained by the Fund.

Seasonal or cyclical changes

The Company is not subject to seasonal or cyclical changes.

Exchange rates

The period end exchange rates (to 1USD) are as follows:

		30/06/2017	31/12/2016	30/06/2016
AUD	Australian Dollar	1.3037	1.3810	1.3430
EUR	Euro	0.8768	0.9481	0.9001
GBP	British Pound	0.7699	0.8093	0.7481
HKD	Hong Kong Dollar	7.8065	7.7532	7.7580
SGD	Singapore Dollar	1.3769	1.4447	1.3459
TWD	Taiwan Dollar	30.4200	32.2290	32.2590
VND	Vietnam Dong	22,731.0000	22,771.0000	22,304.00