THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. When considering what action you should take, you are recommended immediately to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriately qualified independent financial adviser authorised under the Financial Services and Markets Act 2000 (or, if you are a person outside of the United Kingdom, otherwise duly qualified in your jurisdiction).

This document comprises a prospectus relating to Vietnam Holding Limited prepared in accordance with the Prospectus Rules made under section 84 of the Financial Services and Markets Act 2000 in order to make an offer of transferable securities to the public. This document has been approved by and filed with the Financial Services Authority in accordance with the Prospectus Rules. This document and the information herein relates expressly to the Bonus Issue and the Shares. This document also comprises an AIM admission document for the purposes of, and has been prepared in accordance with, the AIM Rules.

If you sell or have sold or otherwise transferred all of your Shares, please send this document at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom or by whom the sale or transfer was made, for delivery to the purchaser or transferee.

Application will be made for the Warrants and any Shares issued on exercise of the Warrants to be admitted to trading on AIM, the market operated by the London Stock Exchange plc (**AIM**). It is expected that dealings in the Warrants will commence on AIM on 29 May 2012. The rules of AIM are less demanding than those of the Official List of the United Kingdom Listing Authority.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial advisor.

Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange plc has not examined nor approved the contents of this document.

It is emphasised that no application is being made for admission of these securities to the Official List of the United Kingdom Listing Authority. The Warrants will not be dealt in on any other recognised investment exchange and no application has been or is being made for the Warrants to be admitted to any such exchange. The Shares are admitted to trading on AIM and to the Entry Standard of the Deutsche Börse.

VIETNAM HOLDING LIMITED

(Incorporated under the laws of the Cayman Islands with registration number 0166182)

PROSPECTUS

Bonus Issue of Warrants to subscribe for Shares

Nominated Adviser

Oriel Securities Limited

The Shares are not, and the Warrants will not be, registered under the Securities Act or under the relevant laws of any State of the United States or any state, province or territory of Australia, Canada, Japan, New Zealand or the Republic of South Africa. Subject to certain exceptions, the Warrants issued under the Bonus Issue and any Shares arising on their exercise may not, directly or indirectly, be offered, sold, taken up, delivered or transferred in or into the United States, Australia, Canada, Japan, New Zealand or the Republic of South Africa or to, or for the account or benefit of, US Persons (as defined in Regulation S of the Securities Act). The Warrants and the Shares have not been approved or disapproved by the US Securities and Exchange Commission, any State securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Bonus Issue or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States. The attention of Overseas Shareholders and other recipients of this document who are residents or citizens of any country outside the EEA is drawn to the section entitled "Overseas Shareholders" in Part II of this document.

The whole text of this document should be read. The attention of potential investors is drawn in particular to the section of this document entitled "Risk Factors". Investment in Vietnam carries a high degree of risk. Accordingly, investment in VietNam Holding Limited is only suitable for sophisticated investors who are aware of the risks and who have the ability and willingness to accept the risk of total loss of capital that may result from an investment in the Company.

Prospective investors should inform themselves as to: (a) the possible tax consequences; (b) the legal requirements; and (c) any foreign exchange restrictions or exchange control requirements, which they might encounter under the laws of the countries of their citizenship, residence or domicile, and which might be relevant to the subscription, holding or disposal of the Warrants or Shares or the exercise of any rights connected to the Bonus Issue.

Contents

SUMMARY

This summary section should be read as an introduction to the Prospectus which comprises the whole of this document. Any decision to invest in the Company's securities should be based on a consideration of the Prospectus as a whole by the investor.

Where a claim relating to the information contained in a prospectus is brought before a court, a plaintiff investor might, under the national legislation of the EEA States, have to bear the costs of translating the prospectus before the legal proceedings are initiated.

Civil liability attaches to those persons who are responsible for this summary, including any translation of the summary, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus.

The Proposals

The Company is making a Bonus Issue of Warrants to Shareholders *pro rata* to their shareholdings on the basis of one Warrant for every three Shares held on the Record Date. The issue of the Warrants was approved by Shareholders at the EGM. The Warrants will be freely transferable and admitted to trading on AIM.

The key terms of the Bonus Issue are as follows:

- one Warrant will be issued for every three Shares held by Shareholders on the Record Date;
- there shall be a single exercise date, upon the maturity of the Warrants, which will occur on 13 December 2012;
- the exercise price of the Warrants will be equal to the Net Asset Value per Share as at 29 February 2012, being US$1.196 per Share;
- the Warrants will be freely transferable and application will be made for the Warrants to be admitted to trading on AIM; and
- the instrument constituting the Warrants contains other provisions typically found in such instruments, including those relating to the adjustment of the terms of the Warrants, protections for holders of Warrants and the procedures for the modification of the rights of the Warrants. These provisions are set out in full in Part V of this document.

If the Warrants are not exercised prior to the exercise date they will expire. If, at that time, the price of the Shares is less than the exercise price of the Warrants (i.e. the Warrants are "out of the money"), then it is likely that the Warrants will expire without any value.

Benefits of the Bonus Issue

The Board believes that a number of important macro-economic conditions have shown consistent improvement in Vietnam's economy since the fourth quarter of 2011, including a declining rate of inflation, shrinking trade deficits, and the Vietnamese central bank's increasing resolve for banking reform. The increase of the Vietnam Index by 25.6% during the first quarter 2012 reflects the market's positive reaction to the improved economic outlook. The Board believes that if these positive trends continue they may further strengthen the valuation fundamentals of Vietnamese enterprises.

The Board considers that the capital raised through the exercise of the Warrants could be well deployed by the Company in additional attractive investments which may help increase the Company's Net Asset Value and therefore drive an increase in the Company's share price.

The Board is proposing the Bonus Issue for the following reasons:

1 The Board believes that the issue of the Warrants represents an attractive way in which investors can participate in future Net Asset Value growth of the Company through conversion into Shares at the predetermined price.

2 Any exercise of the Warrants will increase the capital base of the Company, allowing future operating costs to be spread across a larger number of Shares, and consequently should cause the Company's total expense ratio to fall.

3 The number of Shares in issue will increase following the exercise of any Warrants, which may in due course improve the liquidity of the Shares.

4 Shareholders will receive tradeable securities which may have a monetary value and may either be traded in a similar fashion to their existing Shares or converted into Shares upon maturity. The admission of the Warrants to trading on AIM will allow Shareholders to benefit if the Warrants are "in the money", whether by exercising the Warrants or by selling the Warrants before the exercise date.

The Company

The Company is a closed-end investment company that was incorporated in the Cayman Islands on 20 April 2006 as an exempted company with limited liability with number CD-166182. Its shares are admitted to trading on London's AIM Market and Frankfurt's Entry Standard. The Company has an unlimited life with regular continuation votes. The next continuation vote will be held at the annual general meeting to be held in 2013.

Investment objective

The Company's investment objective is to achieve long-term capital appreciation by investing in a diversified portfolio of companies that have high growth potential at an attractive valuation.

Summary investment policy

The following is a summary of the investment policy most recently approved by the Shareholders at the most recent Annual General Meeting of the Company.

The Company attempts to achieve its investment objective by investing in the securities of former State owned enterprises ("**SOEs**") in Vietnam, the securities of private companies in Vietnam (either Vietnamese or foreign-owned) and the securities of foreign companies if a majority of their assets or operations are based in Vietnam. The Company may invest in equity securities or securities that have equity features, such as bonds that are convertible into equity.

The Company incorporates ESG factors into its investment analysis and decision-making process.

The Company intends its investments to be focused primarily in the following industry sectors:

- health care and pharmaceuticals;
- retail and consumer goods;
- banks and financial services, including brokers and insurance companies;
- power and energy, with a primary focus on renewable energy;
- agriculture and agro-chemicals;
- telecommunications, including mobile phones and cable television;
- tourism with special emphasis on eco tourism;

- logistics and transportation; and
- construction and construction materials.

The Company may invest in equity securities of former SOEs or private companies in Vietnam either through purchases of their shares on the Vietnam Stock Exchange or, for those companies which are not yet listed on the Vietnam Stock Exchange, through purchases on the OTC Market or privately negotiated deals. The Company may invest up to 20 per cent of its net asset value (at the time of investment) in other listed Vietnam investment funds which have the majority of their assets in Vietnam ("**Investment Funds**"). In all cases of investments in the equity securities of companies not listed on the Vietnam stock exchange or any other stock exchange ("**Unlisted Companies**"), the Company will typically only commit to invest if the Investment Manager or the Board determines that the proposed Investee Company has a firm plan to list its shares on the Vietnam Stock Exchange within such period of time that the Investment Manager or the Board considers reasonable in the circumstances.

The Company may invest its available cash in the domestic bond market as well as in international bonds issued by Vietnamese entities. Otherwise, the Company's uncommitted assets will be held by the Custodian for the benefit of the Company in bank deposits, or in other high-quality fixed-income securities denominated in, convertible major currencies. The Company may utilise derivatives contracts when available for hedging its exposure in VN Dong and other currencies against the US dollar.

The Company does not intend to take control of any Investee Company or to take an active management role in any such company. However, in certain circumstances, the Investment Manager may appoint one of its directors, employees or other appointees to join the board of the Investee Company.

Investment restrictions

The Company will adhere to the general principle of risk diversification in respect of its investments and will observe the following investment restrictions:

- the Company will not invest more than 10 per cent of its Net Asset Value at the time of investment in the shares of a single Investee Company;
- the Company will not invest more than 30 per cent of its Net Asset Value at the time of investment in any one sector;
- the Company will not generally take or seek to take legal or management control of any Investee Company;
- the Company will not invest in companies known to be involved in manufacturing or trading of distilled alcoholic beverages, tobacco, armaments or involved in casino operations or other gambling business;
- the Company will not invest in companies known to be subject to serious violations of Vietnamese laws on labour and employment, including child labour regulations;
- the Company will not invest in companies known to be subject to export restrictions or anti-dumping measures or that are known to be under investigation for the same;
- the Company will not invest in a business that is not committed to reducing any pollution and environmental problems in a measurable way;
- the Company will not invest directly in real estate or real estate development projects or in infrastructure projects with long pay-back periods, but may invest in companies which have a large real estate component, if their share are listed or traded on the OTC market; and

- the Company will not invest in any Investment Fund unless the price of such Investment Fund is at a discount of at least 10 per cent to such Investment Fund's net asset value.

To the extent that investments in Investee Companies were made or held in anticipation of these companies implementing ESG principles and where these Investee Companies do not meet the new ESG standards or if the adoption of ESG considerations by an Investee Company is not deemed to have a positive reception, the Company may reduce or exit these investments.

In addition, under Vietnamese law:

- foreign investors (such as the Company) as a group are currently restricted from holding in excess of 49 percent of the total issued shares of any non-bank public company (either listed or unlisted);

- foreign investors may only own up to a specific limit of a company in certain sectors expressly open to foreign investment, as stipulated by the Government from time to time, for example, foreign investors can collectively only own up to 30 per cent of banks.

The Company will only change the above investment restrictions with the prior approval of an Ordinary Resolution of Shareholders.

The Investment Manager

The Company's Investment Manager is VietNam Holding Asset Management Limited. It is responsible for the day-to-day management of the Company's investment portfolio, in accordance with the Company's investment policies, objectives and restrictions and subject to the control, direction, review, instructions and supervision of the Board.

The Investment Manager has offices in Ho Chi Minh City, Vietnam, and a subsidiary in Zurich, Switzerland. Its staff and Directors have experience in research into companies listed on Vietnam's stock exchanges and in advising on and dealing in emerging market securities generally. The Investment Manager's board is actively involved in the investment process and supports the management of the Investment Manager.

Vietnam Market Update and Investment Outlook

The Vietnamese government is forecasting 6-6.5% GDP growth in 2012, while the International Monetary Fund and Asian Development Bank are anticipating 6.3% growth for the year.

Vietnam's exports increased by 33% to approximately US$96bn in 2011 and the final balance of payments are estimated to be positive at US$2b. The country's foreign exchange reserves stood in March 2012 at 24.5bn, 30% higher than year-end 2011.

The consumer price index rose 18.6% by 2011 year-end after peaking at 23% in August. By end-March 2012 the inflation rate was down to 14.2% year-on-year and just 0.2% month-on-month.

The VND depreciated 7.4% against the US dollar in 2011. By end-March 2012 the VND has appreciated by 0.88% against the US dollar, year-to-date.

As at end-March 2012, the VNI was up 25.44%, having outperformed the indices of all its Asian peers as well as the MSCI Emerging Markets and the MSCI Frontier Markets.

The Company attributes this year-to-date increase to the combination of the low valuations of shares and the anticipation of ongoing positive economic news. Expected further improvements of the macro-economic data, decreases in interest rates and increasing liquidity should strengthen corporate earnings and provide the fuel for the market's continuing good performance.

The Company considers that companies within the domestic consumer and agriculture-related sectors are likely to enjoy above-average earnings growth.

Extraordinary General Meeting

Shareholders have approved the Bonus Issue in an extraordinary general meeting of the Company that was convened on 11 April 2012.

Summary of risk factors

The principal risk factors affecting the Shares which are known to the Directors are the following:

Difficult market or economic conditions in Vietnam could adversely impact the Company's investment portfolio. Vietnam is both a transitional and developing economy and as such contains a range of risks associated with a rapidly evolving country.

Stock exchanges in Vietnam are relatively recent, may be more conservatively regulated than other regional exchanges and may continue to exhibit limited liquidity. It may as a result be considerably more difficult for the Company to exit its investments in Vietnam than it is for investors in more developed jurisdictions.

Where the Company invests in securities of unlisted companies, there is no guarantee that the Company will be able to realise the fair value of such securities due to the tendency of such companies to have limited liquidity and comparatively high price volatility. Additionally, there may be no reliable price source available. Investments in unlisted companies in Vietnam may require extensive due diligence which may be difficult to achieve.

The general standard of corporate governance practices in Vietnam is below that of more developed countries, both for listed or unlisted companies and corporate governance malpractices remain relatively common.

The Company's Net Asset Value per share is expressed in Dollars while most assets held are denominated in Dong. Fluctuations in exchange rates may have an adverse effect on (i) the Net Asset Value and Net Asset Value per Share, and (ii) the value of distributions received by Shareholders in Dollars after conversion of the income and realization proceeds from the Company's non-Dollar denominated investments.

Vietnam's legal system contains inconsistencies and gaps in laws and regulations and new laws and changes to existing laws may adversely affect foreign investors.

The market value of a Share may vary considerably from the Net Asset Value per Share. Investors may not receive back the full value of their investment. In addition, Shareholders may not be able to realise their investment other than through the market, subject to the Company's winding-up provisions and Share repurchase and redemption provisions.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of Prospectus	21 May 2012
Record Date for the Bonus Issue	25 May 2012
Admission of the Warrants to AIM, delivery of Depositary Interests representing Warrants into CREST and dealings in the Warrants commence	29 May 2012
Warrant Certificates issued in respect of the Warrants	week commencing 4 June 2012
Exercise Date	13 December 2012
Admission of additional Shares issued upon exercise of the Warrants to trading on AIM and the Entry Standard in Frankfurt and trading in additional Ordinary Shares commences	No later than 3 January 2013

Notes:

(1) The times and dates set out in the Expected Timetable of Principal Events above and mentioned throughout this document may be adjusted by the Company, in which event details of the new times and dates will be notified, as required, to the London Stock Exchange, and, where appropriate, to Shareholders.

(2) All references to time in this document are reference to London time.

DEALING CODES

The dealing codes for the Warrants will be as follows:

ISIN	KYG9361X1126
SEDOL	B7NHTY3
Ticker	VNHW

The dealing codes for the Shares issued upon exercise of the Warrants will be as follows:

ISIN	KYG9361X1043
SEDOL	B16GN32
Ticker	VNH

RISK FACTORS

The Directors consider the factors set out below to be those which are material at the date of this document. If Shareholders are in doubt as to the consequences of acquiring, holding or disposing of the Warrants or exercising their subscription rights pursuant to the Warrants they should consult an independent financial advisor authorised under the FSMA.

The following risks are those material risks relating to the Company, an investment in the Shares and the Warrants and investing in Vietnam of which the Directors are aware. Additional risks which are not currently known to the Directors, or that the Directors currently deem immaterial, may also have an effect on the Company.

Risks relating to AIM

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial advisor.

Warrants

(i) Volatility

The value of a Warrant may go down as well as up. Warrants represent a geared investment, so a relatively small movement in the market price of the Shares may result in a disproportionately large movement, unfavourable or favourable, in the market price of the Warrants. The market price of the Warrants may therefore be volatile.

Movements in the price of Warrants may not be in line with the movement in the price of the Shares. Although the prices of Warrants and Shares are linked, since they share common price factors such as Net Asset Value, the price of a Warrant may not move in line with that of a Share because other factors contributing to their respective prices, for example supply and demand, are not directly related to one another and hence are unlikely to change at the same time and in the same manner. Further, the price of a Warrant is affected by factors that do not affect Share price, such as the remaining duration of the rights attaching to the Warrants.

The Company has applied for the Warrants to be admitted to trading on AIM. The London Stock Exchange has the right to suspend or limit trading in a company's securities. Any suspension or limitation on trading in the Warrants may affect the ability of Shareholders to realise their investment.

The published market price of the Warrants will typically be their mid-market price. Due to the potential difference between the mid-market price of the Warrants and the price at which Warrants can be sold, there is no guarantee that the realisable value of the Warrants will reflect their published market price.

(ii) Warrants may expire worthless

In the case of any Warrants whose rights have not been exercised on or before the Exercise Date, such Warrants will cease to have any value unless a trustee appointed by the Company determines that the net proceeds of sale of the Shares that would arise on the exercise of such rights after deduction of all the costs and expenses of sale would exceed the costs of exercise of such rights. In such circumstances, the trustee will either exercise all the rights attaching to the Warrants and sell the Shares issued on such exercise in the market, or if it appears to the trustee that doing so is likely to raise greater net proceeds, it may accept any offer available to the Warrant holders for the purchase of the outstanding Warrants. The net proceeds of any such sale (after deducting the costs of exercising the rights attaching to the Warrants, if applicable, and any other costs and expenses incurred in relation to such sale) will be remitted to the Warrant holders unless the amount is less than US$5 in which case such sum shall be retained for the benefit of the Company.

The market value of a Warrant will be determined by market forces, including the NAV and market price of the Shares, and there is no guarantee that the Warrants will have a significant market value.

(iii) Liquidity

Although Warrants are tradable securities, market liquidity of Warrants may be less than the market liquidity of the Shares.

The Warrants, in so far as they give an entitlement to subscribe for Shares, are also affected by the same risk factors as the Shares as set out in this section headed "Risk Factors".

Risks Relating to the Company's Business and Structure

Investment Objective and Share Price Uncertainty

There can be no assurance that the Company will achieve its stated investment objective.

When considering the historical performance of the Company's investments, investors should bear in mind that such historical results are not necessarily indicative of future results and that historical results presented include unrealised values of investments that may not be realised in the future.

The shares of the Company may trade at a discount to its Net Asset Value for a variety of reasons, including market conditions and/or the extent that investors undervalue the Company's investment management activities.

Investment in the Company should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Company's assets will occur or that the investment objective of the Company will be achieved. Investors may not get back the full amount invested. The price of Shares and the income from Shares may go down as well as up.

No Guarantee of Return

An investor should be aware that the value of an investment in the Company is subject to normal market fluctuations and other risks inherent in investing in securities. There is no assurance that any appreciation in the value of the Shares will occur or that the investment objectives of the Company will be achieved. The value of investments and the income derived may fall as well as rise, and investors may not recoup the original amount invested in the Company.

Dependence on Investment Manager

The Company's ability to provide returns to Shareholders and achieve its investment objective is dependent on the performance of the Investment Manager in the identification, acquisition and disposal of investments in Investee Companies. The Investment Manager was formed in 2006 and has since then developed experience as the Company's Investment Manager. Nevertheless, its ongoing performance cannot be guaranteed. Failure by the Investment Manager to identify and manage investments effectively could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company has no employees and is reliant on the Investment Manager, which has significant discretion as to the implementation of the Company's operating policies and strategies. Various internal control mechanisms exist, such as the requirement of the Board's approval for major investments and divestments, and the externalization of the audit function, which reports to the Chairperson of the Company's Audit Committee.

The Company is subject to the risk that, if the Investment Manager terminated the Investment Management Agreement, no suitable replacement may be found and accordingly, the Company may be left without an appropriate investment manager.

In addition, the Company's performance is dependent in large part on the skills and experience of its Directors and key staff of the Investment Manager. The departure of Directors or of these key staff could have an adverse impact on the Company's future performance.

Conflicts of Interest

The Investment Manager does not currently render services to other companies, nor does it currently intend to establish any other fund that is similar to the Company, but it may do so in the future if it obtains the prior approval of the Board. Affiliates of the Investment Manager may also render asset management services to persons other than the Company.

Conflicts of interest may arise whereby investment opportunities will be available to the Company which are also suitable for any other persons for whom the Investment Manager or one of its affiliates provides services. This may result in the Investment Manager allocating certain investment opportunities to such other clients. This could result in the Company not being able to invest as much as wanted in attractive investment opportunities and in the Company's assets taking longer than expected to be fully invested, each of which events has the ability to materially and adversely affect the Company's investment returns. It could also result in the Investment Manager failing to devote sufficient resources to the management of the Company's assets.

If a conflict of interest arises, the Investment Manager has undertaken that it will seek to act fairly to allocate investment opportunities as well as its staff and other resources on a fair basis, normally on a pro-rata basis between the Company and the other persons based on the amounts available for investment by the Company and such other persons at such time.

Life of the Company

In 2013, the Board will propose at the Company's annual general meeting an Ordinary Resolution that the Company will continue in existence. If such resolution is passed, the Company will continue its operations and a similar resolution will be put to Shareholders in 2016.

If a continuation resolution is not passed the Board will, at that annual general meeting or at an extraordinary general meeting held within 6 months of that annual general meeting, propose a resolution to wind-up the Company or one or more resolutions to implement a reconstruction, amalgamation or other material alteration to the Company or its activities or any other appropriate alternative based upon current circumstances, as the Board thinks fit. Shareholders should be aware of the possibility that the continuation resolution may not be passed and hence the Company may not continue in its current form.

In either case (and subject to the winding-up provisions in the Company's Articles), Shareholders will only be able to realise their investment prior to a winding up by selling their Shares.

Operating Expenses

The Company's annual operating expenses may be higher than those of some other investment companies, primarily because of the additional time and expense required in pursuing the Company's investment objectives. In particular, exercising proper investment due diligence in Vietnam entails additional time and expense in comparison to investing in many other countries or securities because available public information concerning such investments is limited in comparison to, and not as comprehensive as, that available for investments in many other countries or sectors. Accordingly, the Company may in certain cases require the assistance of external consultants, at additional cost.

General taxation risks

Representations in this document concerning the taxation of Shareholders and the Company are based on current law and practice. These are, in principle, subject to change and Shareholders should be aware that such changes may affect the Company's ability to generate returns for Shareholders and/or the taxation of such returns to Shareholders. **If you are in any doubt as to your tax position you should consult an appropriate independent professional adviser.**

Any change in the taxation legislation or taxation regime applicable to the Company could affect the value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders or alter the post-tax returns to Shareholders.

Risks Relating to Investing in Companies in Vietnam

Market and Economic Conditions

Difficult market or economic conditions in Vietnam could adversely impact the Company's investment portfolio. Vietnam is both a transitional and developing economy, with only a decade's experience of stock market activity, and as such, contains a range of risks associated with a rapidly evolving country. In addition, many of the sectors in which the Company has existing investments and plans to make future investments are subject to various risks, including increasing market competition as previous barriers to entry are gradually removed and the 'playing field' for business is levelled.

Restrictions on Foreign Investments

Foreign investors face a number of legal restrictions which may affect the ability of the Company to implement its investments in Vietnam.

Foreign investors may in principle purchase up to 100% equity in a Vietnamese company subject to certain restrictions, including, without limitation, those applicable to:

- *Regulated Sectors:* foreign investment in regulated sectors are governed by the laws applicable to such sectors. In the financial sector, for example, foreign investors can collectively only own up to 30% of Vietnamese commercial banks. In addition, foreign ownership limitations in Vietnamese companies in some of the services sectors are as provided in international treaties to which Vietnam is a party, including the WTO; and

- *Public Companies Sector:* foreign ownership in all Vietnamese public companies[1] is limited to 49% of the company's share capital.

These restrictions may make it more difficult for the Company to make the investments that it wishes to make. If a company subject to such restrictions has issued its full quota of shares to foreign investors then the Company will either be unable to make the investment or it may have to pay a premium to another foreign investor in order to acquire shares without breaching the relevant limits. Both of these implications may have a material adverse effect on the Company's investment returns.

Investments in Listed Companies

The HoSE started operations in July 2000 and the HNX was upgraded from a 'stock transaction centre' to full stock exchange status in June 2009. While the HoSE in Ho Chi Minh City is the premier stock market for Vietnam, hosting the larger companies, Ha Noi's HNX hosts companies that fall below the minimum chartered capital requirement of HoSE and serves as the country's bond market.

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[1] Under Vietnam's Securities Law, 'a public company is a joint stock company falling within any of the following three category: (a) a company whose securities have been offered to the public; (b) a company whose securities have been listed in a stock exchange or securities trading centre; (c) a company whose securities are owned by at least 100 investors, excluding professional securities investors and whose contributed charter capital is VND10 billion (approximately $539,000) or more' while 'public offering of securities means an offering of securities according to one of the following methods: (a) via the mass media, including Internet; (b) offering of securities to 100 investors or more, excluding professional securities investors; (c) offering to an unspecified number of investors'. Professional securities investors include commercial banks, finance companies, finance leasing companies, insurance companies and securities trading organizations.

Stock exchanges in Vietnam are relatively recent, may thus be more conservatively regulated than other regional exchanges and continue to exhibit limited liquidity. It may as a result be considerably more difficult for the Company to exit its investments in Vietnam than it is for investors in more developed jurisdictions and the Company may have to resell its investments in privately negotiated transactions.

Share price changes are subject to daily limits, currently set at 5% and 7% in either direction on the HoSE and HNX, respectively, although this trading band may expand or contract over time.

Investments in Unlisted Companies

The Company may invest in unlisted companies and while such investments may offer the opportunity for significant capital gains, they also involve a high degree of business and financial risk. Generally, there is no guarantee that the Company will be able to realise the fair value of such securities due to the tendency of such companies to have limited liquidity and comparatively high price volatility. Additionally, there may be no reliable price source available. Even though most brokers publish daily prices for a large number of companies traded on the OTC Market, estimates of fair market value of such investments are more difficult to establish than for listed companies and are the subject of some uncertainty. Furthermore, companies whose securities are traded on the OTC Market may not be subject to the disclosure and other legal requirements that would otherwise be applicable if their securities were traded on a public exchange.

Many unlisted companies in Vietnam trade on the informal OTC Market, which acts as an intermediary for the trading of shares of joint stock companies that are not listed on Vietnam's stock exchanges. Transactions on this over-the-counter market are negotiated and agreed upon directly between buyers and sellers, often with the involvement of facilitating broker-dealers or other intermediaries. The Investment Manager has in the past been able to work with reputable securities companies thus reducing the counterparty and settlement risks. However, these settlement and counterparty risks are likely to remain in the future.

As the Company is regarded as a foreign investor under Vietnamese law, the Company's investments in unlisted companies will be subject to foreign ownership restrictions, as indicated above. The Company may therefore be limited in the percentage ownership of a company that it could acquire and the management participation that will be allowed without triggering the need for discretionary government evaluation and approval of an investment.. These limitations may have an adverse effect on the proposed activities and projected performance of the Company or may increase the Company's costs and delay its investments.

The Company's investments in unlisted companies may be difficult to value and there may be little or no protection for the value of such investments. If a listing on a stock exchange is not possible, investments in unlisted companies may have to be held for an appreciable period of time. Selling the securities in unlisted companies which fail to obtain a listing may not be possible and, if possible, may only be possible at prices below their original cost and/or at substantial discounts to the Investment Manager's perception of their market value.

As Vietnam remains a developing country, the Company's investments in unlisted companies in Vietnam may require extensive due diligence. However, good due diligence may be difficult to achieve, especially in the context of investments in former SOEs either because the Company may buy shares during an auction process that allows only limited due diligence or because the records of the former SOEs are imperfect and the information is not available.

As the Company will be a minority shareholder in any unlisted companies in which it invests, the Company will endeavor in appropriate situations to obtain suitable shareholder protection by way of a shareholders' agreement and/or board representation, where available. However, the Company may not succeed in obtaining such protection and even where the Company obtains such shareholders' agreement or board representation, they may confer limited protection for the Company.

Trading shares in unlisted companies is subject to potentially greater counterparty and settlement risks given the limited regulatory oversight. While such risks may be mitigated by the diligence and experience of the Investment Manager, they may not be entirely excluded.

Limited Liquidity

It may be considerably more difficult for the Company to invest in or exit its investments in Vietnam than it is for investors in more developed jurisdictions.

In particular, the Company will seek to realise its investments in unlisted companies through listings on a Vietnam stock exchange. However, there is no guarantee that Vietnam's stock exchanges will provide liquidity for the Company's investments in unlisted companies. The HoSE only commenced operations in July 2000 and continues to exhibit limited liquidity at times.

The Company may have to resell such investments in unlisted companies in privately negotiated transactions and the prices realised from these sales could be less than those originally paid by the Company or less than what may be considered to be the fair value or actual market value of such securities. In view of this, the Company's investments in unlisted companies will generally be long-term in nature and may have to be held for many years from the date of initial investment before realization.

Investments in Equitised SOEs

By definition, equitised SOEs, whether they are listed companies or unlisted companies, will have been SOEs until a point in time that may be shortly before the Company invested in them. The management of any given equitised SOE may have one or more potential problems, such as difficulties adjusting to the private sector; following international standard corporate governance practices; being transparent and appointing appropriately qualified officers and directors; or employing and retaining qualified staff.

Equitised SOEs may continue to be majority-owned by the Vietnamese State and may continue to respond to State interests rather than the interests of all shareholders.

Equitised SOEs may in some cases inherit business legacies from their former status, such as excessive workforces.

Furthermore, due to the weak legal infrastructure in Vietnam, investors face a risk of fraud by equitised SOEs. For instance, it is possible that equitised SOEs will misrepresent their financial position or the status of their business, use the investment capital provided by the Company in unauthorised ways, embezzle money or fraudulently transfer assets, or otherwise not honor their obligations to shareholders.

Limits on Disposals

If an unlisted company does not obtain a listing on a Vietnam stock exchange or other exchange and a trade or other negotiated sale becomes necessary in order for the Company to exit its position, other shareholders in such unlisted company may have a right of first refusal upon such sale. The ability of the Company to dispose of an investment and the timing and terms of any such disposal may in certain instances be limited or affected by such right of first refusal.

Transfer and Settlement Risk

The trading and settlement practices of Vietnam's stock exchanges may not be the same as those in more established markets, which may increase settlement risk and/or result in delays in realizing investments in listed companies made by the Company. The Company may also be exposed to the credit risk of a counterparty on an unsecured basis and the risk of settlement default. Consequently, there can be no assurance that the Company would recover any of the amounts owed to the Company by the defaulting counterparty.

The collection, transfer and deposit of securities and cash expose the Company to a number of risks including theft, loss, fraud, destruction and delay. This is particularly the case for securities traded on the OTC Market.

Vietnamese transfer and settlement procedures have been improved significantly since the enactment of Vietnam's Securities Law (which came into effect on 1 January 2007) and its guiding documents. However, procedures for registration of ownership of unlisted securities may be unreliable and time consuming. Substantial delay or failure to complete a transaction may result in the partial or complete loss of an investment. There is also a risk that the counterparty will not complete the transaction. Substantial delay or failure to complete a transaction may result in the partial or complete loss of an investment or the inability to exit investments on terms or at a time acceptable to the Company.

Corporate Governance Practices in Vietnam

The general standard of corporate governance practices in Vietnam is below that of more developed countries, both for listed or unlisted companies. Corporate governance standards are gradually improving in Vietnam, as a result of the growing presence of institutional investors; a realization by some Investee Companies of the gains to be derived from implementing higher corporate governance standards; and an improved regulatory regime. Nonetheless, corporate governance malpractices remain common.

Other Risks Relating to Investing in Companies in Vietnam

Investee Companies and, in particular, equitised SOEs, whether they are listed companies or unlisted companies, will face a number of risks which could cause them to under-perform significantly or even result in their bankruptcy. The Directors currently believe that the risks set out below are material risks at the present time:

- risk of insufficient financing or access to capital;
- lack of customer diversification and understanding of the product market;
- a tendency by some companies and, particularly, larger SOEs, to invest aggressively in a diverse range of sectors outside of their core competencies;
- a tendency by some companies to speculate on raw materials prices, resulting in excessive inventory risk, inefficient use of working capital and risk of disruption to production operations;
- risk of fraud perpetrated against Investee Companies by its officers or by third parties, which may be compounded by their own internal control weaknesses;
- a failure to analyze and anticipate industry trends particularly in overseas markets where the knowledge base remains limited;
- insufficient depth of experience in the senior and middle management team, difficulty in recruiting capable managers and overstaffing;
- a similar lack of experience and candidates at the company board level; and
- changes in competitiveness due to changes in relative exchange rates.

Limited Investment Opportunities

An increasing number of companies, institutions and investors, both Vietnamese and foreign, are active in seeking investments in Vietnam. As a result, competition for a limited number of attractive investment opportunities may lead to a delay in the pace of investment activity and/or may increase the price at which investments may be made and thereby reduce the Company's potential profits in relation to such investments.

Market Forces

Competition in business in Vietnam has been increasing, largely as a result of the country's increasing globalization and domestic market opening. As this is likely to continue, the Company's investments in export-oriented industries, for example, may be affected by changes in trade regimes or by protectionist measures in foreign countries.

As a result of such changes, and other market forces, the Company's investments could suffer substantial declines in value at any stage.

Exchange Rates

The Company's Net Asset Value per share is expressed in Dollars while most assets held are denominated in Dong.

In addition, Shareholders' investments in the Company are made in Dollars and the Company converts such Dollars into Dong (or in the context of an investment outside Vietnam, into another foreign currency) prior to making investments. It must convert Dong (or such other currency) back to Dollars prior to distributing any income and realization proceeds from such investments.

There can be no assurance that fluctuations in exchange rates will not have an adverse effect on (i) the Net Asset Value and Net Asset Value per Share, or (ii) the value of distributions received by Shareholders in Dollars after conversion of the income and realization proceeds from the Company's non-Dollar denominated investments.

In recent years, the Dong has depreciated against the Dollar. It is possible that the Dong will depreciate further in the future.

The Company may seek to hedge against a decline in the value of the Company's investments resulting from currency depreciation but only if and when suitable hedging instruments are available on a timely basis and on acceptable terms. There is no assurance that any hedging transactions engaged in by the Company will be successful in protecting against currency depreciation or that the Company will have opportunities to hedge on commercially acceptable terms.

Currency Conversion

The Vietnamese government does not guarantee that hard currency will be available to the Company or that it will receive any priority if there is a shortage. There have been brief periods in the past when Dollars have been in relatively short supply in Vietnam.

Foreign investors can convert income and realization proceeds into hard currency and remit them overseas upon the fulfilment of all tax obligations in accordance with Vietnamese law. However, the relevant regulation only contains broad statements of principle regarding such remittances and problems have sometimes arisen in practice in effecting remittances. This may include the need to obtain a special approval, and such approval may not be received quickly or at all. Any delay in conversion increases the Company's exposure to depreciation of the Dong against other currencies. If conversion is not effected at all, some of the Company's assets may be denominated in a non-convertible currency.

Follow-On Investments at Less Favorable Terms

Once the Company has made an investment in an Investee Company, it may consider that, in order to protect its original investment, it should make a further investment in that Investee Company, for example if the Investee Company becomes distressed. Such follow-on investment may be on terms that are less favorable than would be available in respect of an investment that is not distressed and therefore the Company's returns in respect of that follow-on investment may be lower than it would otherwise seek.

Alternately, the Investee Company could proceed to make a new rights issue, thereby possibly diluting the Company's shareholding if the Company does not have or exercise pre-emption rights.

Market Values of Investee Companies

The Company's portfolio of investments includes Vietnamese companies whose securities are publicly traded. These may be volatile and are likely to fluctuate due to a number of factors beyond the Company's control, including actual and anticipated fluctuations in the quarterly and annual results of Investee Companies and of other companies operating in the same industries; market perceptions concerning the availability of additional securities for sale; general economic, social and/or political developments; changes in industry conditions; shortfalls in operating results from levels forecast by securities analysts; the general state of the securities markets; and other material events, such as significant management changes, refinancings, acquisitions and disposals. Changes in the values of these investments may adversely affect the Company's Net Asset Value and cause the market price of its shares to fluctuate accordingly.

Significant volatility has been experienced at the HoSE. Short selling and securities lending is not permitted under current Vietnamese regulations, and accordingly, the Company has significant exposure to this market volatility.

The Vietnamese securities markets are still in the early stages of development and generally lack the levels of transparency, efficiency and regulation characteristic of more developed markets. Regulation of insider dealing has not yet reached the standards of more developed markets, nor, in certain cases, is there a system of safeguards designed to prevent its occurrence. Government supervision of securities markets, investment intermediaries, and quoted companies is not at the level of more developed markets. Many regulations are unclear in their scope and effect, and there is a greater risk than in more developed economies that activities conducted in good faith on the basis of professional advice will subsequently be regarded as not in compliance with fiscal, currency control, securities, corporate or other regulatory requirements.

Third Party Interests

The Company has no control over the operations of most of its Investee Companies. Although the Investment Manager is responsible for monitoring the performance of each investment and intends to invest in companies operated by management that it considers to be capable, there can be no assurance that any such management team or any successor will be able to operate the Investee Company in accordance with their business plans or the expectation of the Company. Those investments will be subject to the risk that the Investee Company may make business, financial or management decisions with which the Company does not agree, or that the majority stakeholders or the management of the Investee Company may take risks or otherwise act in a manner that does not serve the Company's interests. Such investments will also be subject to the risk of material losses due to fraud or other unauthorised or illegal activity. If any of the foregoing were to occur, the value of the Company's investments could decrease, which could reduce the value of the Shares and/or Net Asset Value. In addition, the Company may not have the same access to information regarding Investee Companies as majority investors in those companies. Accordingly, the Company may not be able to realise some or all of the benefits that might otherwise be associated with such investments.

Risk Management Policies and Procedures

The Company's policies, procedures and practices used to identify, monitor and control a variety of risks may fail to be effective. As a result, the Company faces the risk of losses, including losses resulting from human errors, market movement and fraud.

The Company regularly reviews its risk management policies and procedures and an annual review is conducted by the Directors with a view to minimizing such risks.

Custody Risk and Absence of Insurance

The Company faces a risk of loss of assets arising from insolvency of the Custodian, the Vietnamese Sub-Custodian or any other sub-custodian appointed by it, or improper conduct on the part of the Custodian and Vietnamese Sub-Custodian or their officers and employees, or other any sub-custodian appointed by it. The assets of the Company are not insured by any government or private insurer and in the event of insolvency of a custodian or sub-custodian, the Company may be unable to recover all of its funds or the value of the securities in safe custody.

General Economic, Political and Market Risks

Credit Risk

The default of an issuer of securities or of a counterparty may result in losses for the Company. The risk of default (or issuer risk) is the risk of the other party to a reciprocal contract failing, in whole or in part, to fulfil its obligation with respect to a claim. This applies to all contracts that are entered into for the account of the Company. Default resulting from the bankruptcy or insolvency of a counterparty may result in the Company having limited recourse under bankruptcy or other relevant laws, experiencing delays in liquidating its position and, possibly, significant losses, including the costs of enforcing the Company's rights against the counterparty.

Vietnamese bankruptcy laws are not easily implemented and bankruptcy proceedings can be far more time-consuming than in other jurisdictions and often yield a very low recovery rate. To be declared bankrupt, an enterprise or its creditors must have sufficient grounds to prove its insolvency and bankruptcy. Assuming that the judge accepts there to be sufficient grounds to proceed with a bankruptcy hearing, the two-tiered bankruptcy procedure for resolving business bankruptcy matters will apply. The first tier is the adjudication phase. If during the adjudication phase it is found that it is not possible to restructure the business of the enterprise, the bankruptcy process then moves to the assets realization phase. Bankruptcy proceedings in relation to a company that the Company has invested in may therefore be pending for a long time before the Company may recover any of its capital. As a result, the Company may have limited recourse in realizing its investment in the event a company in which it invests in becomes insolvent.

Political Risks

The value of the Company's assets and of an investment in the Company may be adversely affected by any future changes in the Vietnamese government, government personnel or policies, which may include, among other things, changes in economic policy, business laws and regulations, taxation, investment laws and regulations, valuations and divestment methods for SOE divestments, securities regulations and foreign currency conversion or repatriation regulations.

While Vietnam has implemented many reforms which have improved the overall framework for investors and companies in which they invest, there is no guarantee that the reform momentum will persist or that it will continue at any particular pace.

Legal System

The laws and regulations affecting the Vietnamese economy are in an early stage of development and are less well-established than those in Europe or the United States.

Although the legal system in Vietnam is improving, there can be no assurance that the Company will be able to obtain effective enforcement of its rights by legal proceedings in Vietnam, nor is there any assurance that improvements will continue. In addition, the process of legal reform does not always coincide with market developments, resulting in ambiguities and anomalies, and ultimately, increased investment risk.

As Vietnam's legal system develops, there are inconsistencies and gaps in laws and regulations, new laws and changes to existing laws may adversely affect foreign investors, the administration of laws and regulations by government agencies may be subject to considerable discretion, and in many areas the legal framework is vague, contradictory and subject to interpretation.

Furthermore, the judicial system may not be reliable or objective and the ability to enforce acknowledged legal rights is often lacking. By way of example only, the Company may have difficulty exercising conversion rights, voting rights, dividend rights, or restrictive covenants and may have limited recourse to remedy the problem.

The Company's right of ownership or title to an asset or security may be disputed due to, *inter alia*, a poor system for registration of ownership or as a result of vague and conflicting laws. Some Investee Companies may even attempt to use the vague and conflicting legal infrastructure as an excuse for not honoring their commitments to the Company. There is not the same degree of certainty as investors would expect if they invested in a more developed jurisdiction.

The Company and the Investment Manager are subject to the laws and regulations enacted by national, regional and local governments, and may be required to comply with certain licensing and regulatory requirements that are applicable to an investment fund investing in Vietnam, including laws and regulations administered by the State Securities Commission of Vietnam (SSC). Compliance with and monitoring of applicable laws and regulations may be difficult, time consuming and costly. Those laws and regulations and their interpretation and application may also change from time to time and those changes, or a failure to comply with such laws or regulations as interpreted and applied, could have an adverse effect on the Company's business, investments and results of operations, and, accordingly, its Net Asset Value.

The Vietnamese government has passed regulations that require certain foreign investment funds investing in Vietnam either to delegate the management of their investments to a domestic fund management company or to establish a branch in Vietnam to manage those investments itself. It is not yet clear if the branch in Vietnam of a foreign fund management company can be considered a domestic fund management company for these purposes and it may be a considerable time before the authorities provide full clarification on this issue. If the Investment Manager cannot set up branch offices in Vietnam in a timely manner or if these branch offices do not qualify as domestic fund management companies, it is possible that the Company may either have to terminate the Investment Management Agreement and appoint another entity to manage its investments, or else the Company itself may have to establish a branch in Vietnam. If the Company were to establish a branch in Vietnam to manage its investments, it may become subject to additional taxation obligations in Vietnam, which would reduce its overall profits and therefore adversely affect the Net Asset Value and the price of the Shares.

The Vietnamese tax regulations are currently under development. There are many areas where detailed regulations do not currently exist and where there is a lack of clarity.

Tax fraud by companies is common, while the implementation of tax regulations can vary depending on the tax authority involved. The Company may also encounter changes in the tax regulations and administration that adversely impact on its future performance.

Additionally, there are various tax implications associated with ownership of the Shares which may vary depending on the individual circumstances of the Shareholder.

Recognition of Foreign Arbitration Awards and their Enforcement

Given the lack of legal support for recognizing foreign court judgments in Vietnam, parties often select foreign arbitration as the method of dispute resolution.

While there is a legal basis for the recognition and enforcement of foreign arbitration awards in Vietnam in respect of certain types of contracts, there have only been a small number of cases where a Vietnamese court has recognised and enforced such an award and the Company cannot rely on arbitration provisions to guarantee adequate and timely compensation in case of contractual disputes.

Accounting, Auditing and Financial Reporting Standards

Vietnam's accounting, auditing and financial reporting standards, practices and disclosure requirements differ from those in more developed countries. Less information may therefore be available to the Company than in respect of investments in more developed countries, greater reliance may be placed by the auditors on representations made by managers of a company, and there may be less independent verification of information than would apply in more developed countries. The valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may also be treated differently from the manner in which they would be treated under international accounting standards. While the Company seeks to encourage the adoption by the companies in which it invests of international accounting standards and practices and, in terms of unlisted companies, the use of a major international firm of accountants to audit the relevant financial statements prior to an investment being made, there can be no assurance that the companies will do so.

Listed companies are all required to have audited financial statements in conformity with Vietnamese Accounting Standards.

Red Tape and Corruption

The legal and regulatory regime for businesses in Vietnam is complex, while its enforcement can be opaque, time-consuming and subject to arbitrary decision-making by government officials. Such an environment can result in corrupt practices, as companies and individuals may seek to expedite and/or influence decision-making through the provision of financial or other incentives, while officials may abuse their position for rent-seeking purposes. The calibre of business regulation and administration also tends to differ across Vietnam's 64 provinces and municipalities.

These factors may result in delays for the Company in making investments or in realising investments and could, in some circumstances, prevent such investments or divestmentsfrom taking place. This could materially and adversely affect the Company's investment returns.

Inflation Risk

All the assets of the Company are subject to devaluation through inflation caused by political, economic or geographic instability or otherwise. Inflation has caused recent concern in Vietnam, increasing from 8.3% in 2007 to 23.1% for 2008. Although inflation reduced to 7.0% for 2009, it has been increasing since then with inflation rates of 9.2% in 2010 and 18.6% in 2011.

Absence of an Active Secondary Market

Although the Shares are admitted to trading on AIM and the Entry Standard, an active secondary market in the Shares has not developed and may not develop even if all of the Warrants are exercised.

Market Value of Shares

The market value of, and the income derived from, the Shares can fluctuate. Investors may not receive back the full value of their investment.

The market value of the Shares, as well as being affected by the Net Asset Value per Share, also takes into account the relevant dividend yield and prevailing interest rates. As such, the market value of a Share may vary considerably from the Net Asset Value per Share.

In addition, Shareholders may not be able to realise their investment other than through the market, subject to the Company's winding-up provisions and Share repurchase and redemption provisions.

Limited Regulatory Control

Shareholders do not enjoy any protections or rights other than those reflected in the Articles and those rights conferred by law and as a result of the admission of the Shares to trading on AIM and the Frankfurt Entry Standard.

The Directors recognise the importance of sound corporate governance and to this end, the Company and the Investment Manager have adopted a "Code of Ethics" signed annually by each Board member of the Company and Investment Manager and by each staff member of the Investment Manager.

Tax Residency

As the Company is not incorporated in the UK, it will not be treated as being resident in the UK for UK corporation tax purposes unless its central management and control is exercised in the UK. The Directors have sought to, and will continue to seek to, conduct their affairs so that the Company is not treated as being resident in the UK for UK Corporation tax purposes. There can be no guarantee that HM Revenue and Customs, or the taxation authorities of any other jurisdiction, will not seek to determine that the Company is so tax resident in the UK or other jurisdiction. A change in its residency may have an adverse effect on the Company's results, financial condition and prospects. The Company and the Directors also conduct their affairs so that the Company is not deemed to have a permanent establishment in Vietnam. However, due to tax regulatory uncertainties, if the Company is deemed to carry out investment through a permanent establishment in Vietnam, or as otherwise being engaged in a trade or business in Vietnam, income attributable to or effectively connected with such permanent establishment or trade or business may be subject to additional tax obligations.

Future Issues of Shares, Dilution and Price

The Company may choose to raise capital in the longer term through the issuance of additional shares in order to finance new investments. The Company may also issue additional shares, or debt securities, or other securities convertible into or exchangeable for shares, or rights to acquire these securities, for other purposes. The issuance of such additional shares or securities could reduce the percentage ownership of the Company's existing Shareholders. Future issuances of such shares or securities by the Company and future sales of substantial amounts of shares by Shareholders may adversely affect the market price of the Shares. Such sales could also make it more difficult for the Company to issue new shares in the future at a date and price that the Company feels is appropriate.

The foregoing factors are not exhaustive and do not purport to be a complete explanation of all the risks and significant considerations involved in investing in the Company. Accordingly and as noted above, additional risks and uncertainties not presently known to the Directors, or that the Directors currently deem immaterial, may also have an adverse effect on the Company's business.

IMPORTANT NOTICES

In assessing an investment in the Company, investors should rely only on the information in this Prospectus. No person has been authorised to give any information or make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Directors, the Investment Manager or any other person. Neither the delivery of this Prospectus nor the exercise of any rights attaching to the Bonus Issue pursuant to this Prospectus shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this Prospectus.

Regulatory information

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, shares in any jurisdiction in which such offer or solicitation is unlawful. Issue or circulation of this Prospectus may be prohibited in some countries.

Overseas investors should consider carefully (to the extent relevant to them) the information set out on pages 36 to 37 of this Prospectus.

Investment considerations

The contents of this Prospectus are not to be construed as advice relating to legal, financial, taxation, investment or any other matters. Prospective investors should inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer or other disposal of the Warrants or the Shares;

- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Warrants or the Shares which they might encounter; and

- the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Warrants or the Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

Typical investors in the Company are expected to be institutional and sophisticated investors and private clients. An investment in the Company should be regarded as a long term investment. There can be no assurance that the Company's investment objectives will be achieved.

This Prospectus should be read in its entirety. All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Memorandum and Articles of Association of the Company, which investors should review.

Forward-looking statements

This Prospectus includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts.

All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the Company's actual results to differ materially from those indicated in these statements. These factors include but are not limited to those described in the part of this Prospectus entitled "Risk Factors", which should be read in conjunction with the other cautionary statements that are included in this Prospectus. Any forward-looking statements in this Prospectus reflect the Company's current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Company's operations, results of operations and growth strategy.

These forward-looking statements apply only as of the date of this Prospectus. Subject to any obligations under the Prospectus Rules and the AIM Rules, the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. Investors should specifically consider the factors identified in this Prospectus which could cause actual results to differ before making an investment decision.

Nothing in the preceding three paragraphs shall be taken to limit the working capital statement contained in paragraph 7 of Part IV of this document.

Presentation of information

Market, economic and industry data

Market, economic and industry data used throughout this Prospectus is derived from various industry and other independent sources. The Company and the Directors confirm that such data has been accurately reproduced and, so far as they are aware and are able to ascertain from information published from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Currency presentation

Unless otherwise indicated, all references in this Prospectus to "$" or "dollars" are to the lawful currency of the US, all references to "VND" or "Dong" are to the lawful currency of the Socialist Republic of Vietnam, and all references to "€" or "Euro" are to the lawful currency of the Eurozone countries.

Definitions

A list of defined terms used in this Prospectus is set out at pages 175 to 178.

Governing law

Unless otherwise stated, statements made in this Prospectus are based on the law and practice currently in force in England and Wales and are subject to changes therein.

DIRECTORS, MANAGER AND ADVISERS

Directors	Min Hwa Hu Kupfer Professor Dr. Rolf Dubs Nguyen Quoc Khanh
Registered Office and Company Secretary	CARD Corporate Services Ltd. Fourth Floor, Zephyr House 122 Mary Street P.O. Box 709 GT Grand Cayman KY1-1107, Cayman Islands
Investment Manager	Vietnam Holding Asset Management Ltd. P.O. Box 3175 Road Town, Tortola British Virgin Islands
Nominated Adviser and Broker (AIM)	Oriel Securities Ltd 150 Cheapside London EC2V 6ET, United Kingdom
Listing Partner and Designated Sponsor (Entry Standard)	Close Brothers Seydler Bank AG (CBSB) Schillersstrasse 27-29 D-60313 Frankfurt am Main, Germany
Custodian	Standard Chartered Bank, Singapore Branch Marina Bay Financial Tower 1 8 Marina Boulevard # 27-01 Singapore 018981
Vietnam Sub-Custodian	Standard Chartered Bank (Vietnam) Limited Securities Services, Wholesale Bank Operations 8th Floor, 49 Hai Ba Trung Hanoi Vietnam
Administrator	Standard Chartered Bank, Singapore Branch 7 Changi Business Park Crescent Level 3 Singapore 486028
Registrar	Capita Registrars (Guernsey) Limited Mont Crevelt House Bulwer Avenue St Sampson Guernsey GY2 4LH
Depositary Interest Registrar	Capita Registrars Limited The Registry 34 Beckenham Road Beckenham Kent BR3 4TU United Kingdom

Independent Auditor	KPMG LLP 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581
Transfer Agent	Standard Chartered Bank 7 Changi Business Park Crescent, Level 3, Securities Services, Singapore 486028
UK Legal Advisor	Norton Rose LLP 3 More London Riverside London SE1 2AQ United Kingdom
Legal Advisor to the Company (as to Cayman Islands Law)	Charles Adams Ritchie & Duckworth Zephyr House 122 Mary Street P.O. Box 709 GT Grand Cayman KY1-1107, Cayman Islands

PART I
THE PROPOSALS

The Proposals

The Company is making a Bonus Issue of Warrants to Shareholders *pro rata* to their shareholdings on the basis of one Warrant for every three Shares held on the Record Date. The issue of the Warrants was approved by Shareholders at the EGM. The Warrants will be freely transferable and admitted to trading on AIM.

The key terms of the Bonus Issue are as follows:

- one Warrant will be issued for every three Shares held by Shareholders on the Record Date;
- there shall be a single exercise date, upon the maturity of the Warrants, which will occur on 13 December 2012 (the **Exercise Date**);
- the exercise price of the Warrants will be equal to the Net Asset Value per Share as at 29 February 2012, being US$1.196 per Share (the **Exercise Price**);
- the Warrants will be freely transferable and application will be made for the Warrants to be admitted to trading on AIM; and
- the instrument constituting the Warrants contains other provisions typically found in such instruments, including those relating to the adjustment of the terms of the Warrants, protections for holders of Warrants and the procedures for the modification of the rights of the Warrants. These provisions are set out in full in Part V of this document.

Fractions of warrants will not be allotted or issued and therefore entitlements will be rounded down to the nearest whole number of warrants.

If the Warrants are not exercised on the exercise date they will expire. If, at that time, the price of the Shares is less than the exercise price of the Warrants (i.e. the Warrants are “out of the money”), then it is likely that the Warrants will expire without any value.

The Warrants will be created under, and governed by, the laws of the Cayman Islands. The ISIN of the warrants is KYG9361X1126 and it is expected that the ticker will be VNHW.

Conditions of the Bonus Issue

The Bonus Issue was approved by Shareholders at an extraordinary general meeting on 11 April 2012. The Bonus Issue is conditional on the admission of the Warrants to trading on AIM.

Benefits of the Bonus Issue

The Board believes that a number of important macro-economic conditions have shown consistent improvement in Vietnam’s economy since the fourth quarter of 2011, including a declining rate of inflation, shrinking trade deficits, and the Vietnamese central bank’s increasing resolve for banking reform. The increase of the Vietnam Index by 25.6% during the first quarter 2012 reflects the market’s positive reaction to the improved economic outlook. The Board believes that if these positive trends continue they may further strengthen the valuation fundamentals of Vietnamese enterprises.

The Board considers that the capital raised through the exercise of the Warrants could be well deployed by the Company in additional attractive investments which may help generate an increased Net Asset Value for the Company and drive an increase in the Company’s share price.

The Board is proposing the Bonus Issue for the following reasons:

1 The Board believes that the issue of the Warrants represents an attractive way in which investors can participate in future Net Asset Value growth of the Company through conversion into Shares at the predetermined price.

2 Any exercise of the Warrants will increase the capital base of the Company, allowing future operating costs to be spread across a larger number of Shares, and consequently should cause the Company's total expense ratio to fall.

3 The number of Shares in issue will increase following the exercise of any Warrants, which may in due course improve the liquidity of the Shares.

4 Shareholders will receive tradeable securities which may have a monetary value and may either be traded in a similar fashion to their existing Shares or converted into Shares upon maturity. The planned admission of the Warrants to trading on AIM will allow all shareholders to benefit commercially if the Warrants are in the money, whether by exercising the Warrants or by selling the Warrants before the conversion date.

Admission and dealings

The Warrants will be in registered form and may be issued either in certificated form or as depositary interests in uncertificated form and settled through CREST.

CREST is a computerised paperless settlements system, which allows securities to be transferred via electronic means, without the need for a written instrument of transfer. Foreign securities cannot be held or traded in the CREST system. To enable investors to settle their Warrants through CREST, the Depositary will hold the relevant Warrants and will issue dematerialised Depositary Interests representing the underlying Warrants to the relevant investors.

The Depositary will hold the Warrants on trust for the respective underlying holders. This trust relationship is documented in a deed executed by the Depositary. The Depositary Interests are independent, English securities and are held on a register maintained by the Depositary Interest Registrar. The Depositary Interests have the same ISIN as the Warrants that they represent and do not require a separate admission to trading on AIM.

Holders of Warrants who wish to settle Warrants through CREST can transfer their holding to the Depositary, which will then issue Depositary Interests representing the transferred Warrants. The Depositary Interest holder will not hold a certificate evidencing the underlying Warrant. Depositary Interests are issued on a one for one basis against the Warrants that they represent for all purposes.

Participation in CREST is voluntary and holders of Warrants who wish to hold Warrants outside of CREST will be entered in the register of Warrants maintained by the Registrar and issued with a Warrant certificate evidencing ownership.

Application will be made by the Depositary for Depositary Interests representing the Warrants to be admitted to CREST on Admission.

The Company expects that investors who hold Shares on the Record Date through the Euroclear and Clearstream settlement systems will receive credits to their accounts in respect of Warrants shortly after Admission. These credits will be in respect of Depositary Interests, unless Euroclear and Clearstream elect to receive certificated Warrants outside of CREST.

No temporary documents of title will be issued. Pending despatch of definitive certificates, transfers of the Warrants and/or Shares in certificated form will be certified against the relevant Register. All documents or remittances sent by or to Shareholders will be sent through the post at the risk of the Shareholder.

An application has been made to the London Stock Exchange for the Warrants to be admitted to trading on AIM. It is expected that Admission will occur, and that dealings will commence, in respect of the Warrants on 29 May 2012. On their Admission, the Warrants will confer rights to subscribe for new Shares representing, in aggregate, up to one third of the then issued ordinary share capital of the Company.

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Net Proceeds

Although there can be no certainty as to whether any or all of the Warrants will be exercised, if the Bonus Issue proceeds and all of the Warrants are exercised on the Exercise Date at the Exercise Price, the maximum net proceeds that could arise on such exercise would be approximately US$21.8 million. The net proceeds arising on the exercise of the Warrants will be invested in accordance with the Company's investment policy.

Taxation

The attention of Shareholders is drawn to the summary of United Kingdom, Vietnamese and Cayman Islands tax matters set out in Part VI of this document.

PART II
INFORMATION ON THE COMPANY

The Company

The Company is a closed-end investment company that was incorporated in the Cayman Islands on 20 April 2006 as an exempted company with limited liability with number CD-166182. Its shares have been admitted to trading on London's AIM Market since 15 June 2006 and Frankfurt's Entry Standard since 20 October 2008. The Company has an unlimited life with continuation votes in 2013 and 2016.

Investment objective

The Company's investment objective is to achieve long-term capital appreciation by investing in a diversified portfolio of companies that have high growth potential at an attractive valuation.

Investment policy

The Company attempts to achieve its investment objective by investing in the securities of former State owned enterprises (**SOEs**) in Vietnam, the securities of private companies in Vietnam (either Vietnamese or foreign-owned) and the securities of foreign companies if a majority of their assets or operations are based in Vietnam. The Company may invest in equity securities or securities that have equity features, such as bonds that are convertible into equity.

The Company intends to invest in securities of former SOEs in Vietnam and in the securities of private companies and/or the securities of foreign companies in Vietnam if a majority of their assets or operations are based in Vietnam. The Company incorporates environmental, social and corporate governance (ESG) factors into its investment analysis and decision-making process.

The Company intends its investments to be focused primarily in the following industry sectors:

- health care and pharmaceuticals;
- retail and consumer goods;
- banks and financial services, including brokers and insurance companies;
- power and energy, with a primary focus on renewable energy;
- agriculture and agro-chemicals;
- telecommunications, including mobile phones and cable television;
- tourism with special emphasis on eco tourism;
- logistics and transportation; and
- construction and construction materials.

The Company also intends to pay particular attention to sectors it expects will be most affected by the membership of Vietnam in the WTO, such as garment manufacturing, seafood and food processing, transportation, freight forwarding and logistics. In addition, the Company intends to focus primarily on the regions of Hanoi and Ho Chi Minh City and, depending on the growth potential, demographics, political environment and the personal advice of the Directors, the Investment Manager and the Advisory Council, on other regions in Vietnam.

The Company may invest in former SOEs prior to, at or after the time these securities become listed on the Vietnam Stock Exchange, including the initial privatisation or equitisation of the SOE. The Company may invest in equity securities of former SOEs or private companies in Vietnam either through purchases of their shares on the Vietnam Stock Exchange or, for those companies which are not yet listed on the Vietnam Stock Exchange, through purchases on the OTC Market or privately negotiated deals. The latter could include purchases of newly-issued equity securities issued by a company or other entities in which the Company had directly or indirectly invested (an **Investee Company**) or securities with equity features. The Company may invest up to 20 per cent of its net asset value (at the time of investment) in other listed Vietnam investment funds which have the majority of their assets in Vietnam (**Investment Funds**). The Company may additionally invest in equity securities of companies outside Vietnam with a majority of their assets held or operations based in Vietnam. In all cases of investments in the equity securities of companies not listed on the Vietnam stock exchange or any other stock exchange (**Unlisted Companies**), the Company will typically only commit to invest if the Investment Manager or the Board determines that the proposed Investee Company has a firm plan to list its shares on the Vietnam Stock Exchange or on a stock exchange outside Vietnam within such period of time that the Investment Manager or the Board considers reasonable in the circumstances.

The Company may invest its available cash in the domestic bond market as well as in international bonds issued by Vietnamese entities. Otherwise, the Company's uncommitted assets will be held by the Custodian or the Vietnam Sub-Custodian for the benefit of the Company in bank deposits, or in other high-quality fixed-income securities denominated in convertible major currencies. The Company may utilise derivatives contracts for hedging purposes when available and may hedge its exposure in VN Dong and other currencies against the US dollar in the forward market.

The Company does not intend to take control of any Investee Company or to take an active management role in any such company. However, in circumstances where the Company's investment entitles or in any way grants the Company the right to nominate a member to the board of such Investee Company, the Investment Manager may appoint one of its directors, employees or other appointees to join the board of the Investee Company.

Where the Investment Manager negotiates the purchase of a significant interest in an Investee Company, it may provide certain forms of assistance to such company, as may be determined to be appropriate by the Board or the Investment Manager, with a view to enhancing such company's performance.

Any material change to the investment policy will only be made with the approval of Shareholders by Ordinary Resolution.

Investment restrictions

The Company will adhere to the general principle of risk diversification in respect of its investments and will observe the following investment restrictions:

- the Company will not invest more than 10 per cent of its Net Asset Value at the time of investment in the shares of a single Investee Company;

- the Company will not invest more than 30 per cent of its Net Asset Value at the time of investment in any one sector;

- the Company will not generally take or seek to take legal or management control of any Investee Company;

- the Company will not invest in companies known to be involved in manufacturing or trading of distilled alcoholic beverages, tobacco, armaments or involved in casino operations or other gambling business;

- the Company will not invest in companies known to be subject to serious violations of Vietnamese laws on labour and employment, including child labour regulations;

- the Company will not invest in companies known to be subject to export restrictions or anti-dumping measures or that are known to be under investigation for the same;

- the Company will not invest in a business that is not committed to reducing any pollution and environmental problems in a measurable way;

- the Company will not invest directly in real estate or real estate development projects or in infrastructure projects with long pay-back periods, but may invest in companies which have a large real estate component, if their share are listed or traded on the OTC market; and

- the Company will not invest in any Investment Fund unless the price of such Investment Fund is at a discount of at least 10 per cent to such Investment Fund's net asset value.

To the extent that investments were made in Investee Companies prior to the Company's adoption of ESG principles and where these Investee Companies do not meet the new ESG standards, the Company may reduce these investments if an active dialogue with the Company's management on the potential adoption of ESG considerations by an Investee Company is not deemed to have a positive reception.

In addition, under Vietnamese law:

- foreign investors (such as the Company) as a group are currently restricted from holding in excess of 49 percent of the total issued shares of any non-bank public company (either listed or unlisted). The Company will not attempt to purchase shares in any public company which would result in a breach of such regulations, though the Company may take advantage of any relaxation of such regulations that may occur over the course of time;

- foreign investors may only own up to a specific limit of a company in certain sectors expressly open to foreign investment, as stipulated by the Government from time to time - for example, foreign investors can collectively only own up to 30 per cent of banks.

In the event of a breach of any investment restrictions, the Investment Manager shall inform the Board upon becoming aware of the same and if the Board considers the breach to be material, it will discuss with the Company's nominated advisor whether notification should be made to the Regulatory Information Service Provider.

The Company will only change the above investment restrictions with the prior approval of an Ordinary Resolution of Shareholders.

Additional Considerations

The Company, through the Investment Manager, will actively incorporate ESG considerations into its ownership policies and practices. It will seek an active dialogue with the management of the entities in which it invests and will seek appropriate disclosure of ESG issues.

Through its VietNam Holding Forum events, the Company promotes acceptance and implementation of the ESG principles within the investment industry. While the Company is strongly committed to the economic development of Vietnam, the VNH organization also strives to improve the social welfare of Vietnam's youth through the work of its affiliated VNH Foundation.

Where the Company invests as a minority shareholder in an Investee Company that is not listed, the Investment Manager will use commercially reasonable efforts to obtain suitable shareholder protection for the Company, for example by way of a shareholders' agreement or board representation, where available and appropriate. However, there is no guarantee that the Investment Manager will succeed in obtaining such protection for the Company or that if such protection is obtained, it will be effective in protecting the minority shareholder interest held by the Company.

Vietnam remains a developing country and accordingly, if the Company is considering investing in an Unlisted Company then prior to the Company doing so, the Company and the Investment Manager carry out extensive due diligence on such potential investment. The extent of the due diligence will depend upon the nature of each investment, with greater due diligence being possible in the context of a negotiated purchase than in the context of a purchase of shares upon the equitisation or privatisation of a SOE.

The Investment Manager aims to have a corporate governance structure that protects the investments of its shareholders and ensures the dedication of its employees as well as protecting the interests of other stakeholders. The Investment Manager aims to operate in a fair and transparent manner, while ensuring a robust and effective system of internal controls and management of operational and investment risks.

Investment Process

Pursuant to the Investment Management Agreement, the Board has delegated decision-making powers with regard to investments by the Company to the Investment Manager and as such, the Investment Manager is responsible for all aspects of the implementation and execution of investment decisions. Notwithstanding this, the Board must approve all investments which are over 4% of the Net Asset Value (at the time of investing) of any Ordinary Shares or C Shares investment portfolio, as may be applicable and, also in certain cases divestments when the Company holds more than 4% of the share capital of an Investee Company in accordance with the approval process described in the Section Review and Approval Process below. In addition, the Board may provide such instructions to the Investment Manager as it considers appropriate.

In agreement and close cooperation with the Board, the Investment Manager is applying the following Investment Process to the Company's portfolio:

Asset Allocation Method

(i) Top-down: the Investment Manager, in agreement with the Board, defines a target asset allocation along the main sectors based on a comprehensive (desktop) research on the development of Vietnam's economy which is regularly updated.

(ii) Bottom-up: the Investment Manager selects potential targets, using publicly available information, brokerage research, fact-finding interviews with the prospective Investee Company's board and senior management and the network of contacts developed by the Investment Manager's analysts, directors and advisors.

Asset Origination

a. Market screening

The Company's "investment universe" consists primarily of about 300 companies listed on HOSE, about 400 companies listed on HNX and about 1600 companies traded OTC. Additionally, the Investment Manager may from time to time invest in foreign companies if a majority of their assets or operations are based in Vietnam. A screening of these markets is conducted regularly, based on generic criteria such as relevance with the Company's investment themes, various quantitative indicators, exclusion criteria, etc. The Investment Manager is supported in this task by a variety of sources, the most significant being its board of directors, an advisory council to the Company, as well as banks and other professional intermediaries known to the Investment Manager.

b. Selection & valuation:

Once an investment opportunity has been identified, the Investment Manager researches and analyses the opportunity, relying on its in-depth knowledge of Vietnam, of Vietnam's stock exchanges and on the business contacts which its directors and officers have established in the country. The Investment Manager applies in particular the following assessment criteria:

(i) target companies' share performance relative to market/market sector;

(ii) target companies' performance relative to forecast/objectives; and

(iii) target companies' performance relative to and compliance with locally applicable ESG criteria, as defined below.

The Investment Manager is responsible for coordinating and conducting any due diligence of the proposed investment as it considers appropriate. To that end, the Investment Manager may use third party consultants, where necessary and available, but it does not anticipate having to rely on such consultants at present.

Review and Approval Process

Once a target company has been identified, the general manager of the Investment Manager is primarily responsible for the preparation of an investment proposal covering all aspects of the proposed investment (including ESG issues) and for the presentation of this investment proposal to an investment committee for approval (the **Investment Committee**).

The Investment Committee is currently made up of the 3 members of the Investment Manager's board of directors. It is responsible for ascertaining whether the proposed investment is appropriate for the Company and whether it meets the Company's investment policies.

Investments of a value of up to 4% of the Net Asset Value (at the time of investing) of the portfolio must be approved by a majority of the members of the board of the Investment Manager. The Investment Manager must also obtain the prior approval of the Board for any investment of more than 4% of the Company's Net Asset Value (at the time of investing) of the Company's portfolio, as well as for divestments when the Company holds more than 4% of the share capital of an Investee Company and the contemplated divestment exceeds 25% of the Company's total shareholding in such Investee Company.

All communications between the Investment Manager's CEO, the Investment Committee and, where applicable, the Board take place by electronic mail. The Investment Committee and the Board meet, either in person or via conference call, on an ad hoc basis, as and when required.

As a result, investment and divestment decisions are usually taken within 3 to 5 business days from the date of presentation of the initial investment proposal.

Implementation

Once the necessary approvals have been secured, the Investment Manager uses reasonable efforts to effect the investment in an appropriate manner. The Investment Manager is particularly responsible for coordinating and conducting any further due diligence of the target company and evaluating its compliance with ESG criteria. The Investment Manager may retain, at the Company's expense, any external accounting, legal and operational and environmental consultants as may be necessary.

Investments Monitoring and Reporting

The Investment Manager is responsible for monitoring the Company's investments. To that effect, it seeks to develop close working relationships with the board and management of Investee Companies. It also reviews on an ongoing basis all Investee Companies' financial statements, ESG compliance statements, as well as other publicly available documentation and market information.

More specifically and without limitation, the Investment Manager provides the Company with the following information:

- detailed investment statistics on Investee Companies' investment portfolio, on a monthly basis;

- reports on the Investment Manager's activities and proposed strategy in relation to existing and potential investments, on a quarterly basis and in advance of each Board meeting;

- reports on the regular calls placed by the Investment Manager's analysts on the management of the Investee Companies'; and

- reports on the Investment Manager's activities and proposed strategy in relation to the Company's SRI commitments, on a quarterly basis and in advance of each Board meeting.

In addition, the Investment Manager regularly updates the Company's Intranet website with market information on Investee Companies and related economic sectors (eg. brokers' research, relevant press releases, other publications).

Portfolio Rebalancing and Investment Realization

The Company is a value investor with a strategy aimed at long-term participation in its Investee Companies. As a matter of principle, the Company does not trade shares in its core investments.

In order to accommodate fast-changing market conditions and the inclusion of ESG criteria into the investment process, the portfolio is subject to quarterly review by a joint investment committee composed of the members of the Board of the Company and of the Investment Manager and of the Investment Manager's CEO and key staff. Each sector and Investee Company is reviewed and a decision to increase, alternatively hold or decrease the Company's investment is presented for review and approval. In particular, new Investee Companies are subject to a fact-finding and relationship-building period until their compliance with the Company's investment criteria is confirmed. Investee Companies who no longer comply with applicable investment criteria or whose market positioning or competitive advantage steadily deteriorate may be subject to divestment.

Management of the Company

The Board

The Board of Directors makes all policy decisions on investment strategies, portfolio allocations, investment risk profiles, capital increases and profit distributions to Shareholders. It also appoints the Investment Manager, to whom it provides such instructions as may be appropriate.

The Board is responsible for reviewing the Company's Investment Policy and the performance of its investment portfolio. In particular, the Board is required to approve all investments which are over 4% of the Net Asset Value at the time that the investment is made.

The Board consists of 3 Directors, all of whom are non-executive, and meets at least once each quarter.

It comprises 2 committees, an Audit Committee and a Corporate Governance Committee. The Audit Committee is made up of all 3 members of the Board. It is responsible for appointing the Auditors, subject to Shareholder approval, and reviewing the results of all audits. It is also responsible for establishing internal business controls and audit procedures.

The internal compliance audit function has been delegated to an external audit firm, which submits periodic internal audit reports to the Chairperson of the Board's Audit Committee.

Like the Audit Committee, the Corporate Governance Committee is made up of all 3 members of the Board. It is responsible for the governance of the Company and the Company's relationships with multiple constituents, including the Investment Manager and its affiliates.

Brief biographies of the Directors of the Company are given below:

Min Hwa Hu Kupfer (Chairperson)

Mrs. Kupfer (aged 57) was, until February 2006, the President of GE Capital Finance (China) Co., Ltd. Her prior banking career includes 19 years with Bank One/The First National Bank of Chicago where she served as the senior executive overseeing consecutively Strategy and Planning for Middle Markets Banking and Retail Banking. She was also the Country Manager, China for Bank One and First Chicago. Mrs. Kupfer assumed the Chairmanship of the American Chamber of Commerce in China, the first female executive to hold such a position in China. She has strong insight into other parts of Asia, having worked in Singapore and traveled extensively on business within Southeast Asia. Mrs. Kupfer holds a BS degree from National Taiwan University, an MS from the University of Illinois and an MBA from the University of Chicago.

Professor Dr. Rolf Dubs (Head of the Corporate Governance Committee)

Professor Dr. Dubs (aged 77) has been involved for many years in numerous Swiss government projects in Vietnam's education sector as well as in technical assistance to the country's financial markets. Professor Dr. Dubs is a former President of the HSG University of St. Gallen, one of Europe's leading German-speaking economics universities. Dr. Dubs has worked and taught at Harvard and Stanford Universities, as well as several other leading universities, and serves on the corporate boards of many leading Swiss and international corporations.

Nguyen Quoc Khanh (Head of the Audit Committee)

Mr. Khanh (aged 70) completed his studies in France with a Masters in Mining Engineering and spent over thirty-five years with the Shell Group. He served in senior management and finance positions in many countries before accepting an assignment as Chairman and Chief Executive Officer of Shell Vietnam from 1996 until 2002. He lives in France and in Vietnam and is an active private equity investor in Vietnam. He is currently a non Executive Director on the Board of Leighton Asia Limited, a Hong Kong-based contract mining, civil and industrial engineering and construction company.

The Investment Manager

VietNam Holding Asset Management Ltd. acts as the investment manager of the Company. It has offices in Ho Chi Minh City and a subsidiary in Zurich, Switzerland.

The Investment Manager and its board members have experience in research into companies listed on Vietnam's stock exchanges and in advising on and dealing in emerging market securities generally. The Investment Manager's board is actively involved in the investment process and supports the management of the Investment Manager in formulating policies and procedures relating to investments, divestments, diversification, liquidity management, as well as all operating policies.

Under the Investment Management Agreement the Investment Manager is responsible for the day-to-day management of the Company's investment portfolio in accordance with the Company's investment policies, objectives and restrictions. It is responsible for, among other things:

- providing a continuous investment program for the Company's portfolio, including seeking suitable investments and negotiating and structuring individual investments, advising and supporting the Company in relation to the development of its investments, seeking ways in which the Company might dispose of its investments, including determining appropriate timing for divestments and providing investment research and advice with respect to all securities and investments and cash equivalents being considered for the portfolio or comprised in the portfolio;

- providing strategic advice on meeting the Company's investment objectives;

- at its sole discretion, deciding whether or not to provide any assistance as it deems appropriate in order to enhance the performance of Investee Companies;

- providing liquidity management services to the Company, including the interim placement of assets in international bond markets; and

- acting honestly and in the best interest of the Company and exercising the care, diligence and skill which a reasonably prudent investment manager would exercise in the circumstances.

Under the Company's Investment Policy, the Investment Manager actively incorporates ESG considerations into the Company's ownership policies and practices. It also seeks an active dialogue with the management of Investee Companies and appropriate disclosure of ESG issues.

The Investment Manager may delegate the carrying out of certain functions to qualified third parties, while remaining liable to the Company. In particular, the Investment Manager may delegate to specialised service providers the management of its liquid assets, including interim placements on the international bond markets and the execution of any purchase of shares on markets outside of Vietnam.

Under the Investment Management Agreement, the Investment Manager's appointment may be terminated, *inter alia*, by either the Company or the Investment Manager giving 1 year's notice in writing to the other party.

Under the Investment Management Agreement, the Investment Manager is entitled to receive a monthly management fee (Management Fee) at the agreed rate of one-twelfth of two per cent of the Net Asset Value of the Company's Portfolio.

The Investment Manager is also entitled to receive each year from the Company, in addition to the Management Fee, a performance bonus at the rate of 20% of the annual increase in the portfolio's Net Asset Value over the higher of an annualised hurdle rate of 5% or a "high water mark" requirement.

The Investment Manager will receive the bulk of this bonus while a previously agreed portion which shall not be greater than 20% of the total will be distributed to the Board. The Company will distribute the performance bonus within 14 days after the Board has approved the annual audited financial statements of the Company in respect of the relevant financial year. Due to the "high water mark" requirement, the Net Asset Value per Share would be required to exceed US$2.48 (which would be an increase of more than 80% from the last available published Net Asset Value per Share on 11 May 2012) in order for the Investment Manager to be entitled to such bonus.

Dividend Policy

The Board may from time to time declare any such dividends to Shareholders as appropriate. No dividend may be declared or paid other than from funds lawfully available for distribution including share premium. The Company's income from investments will be applied first to pay the fees and other expenses of the Company. The Company's net income (excluding capital gains), if any, may be distributed to Shareholders, subject to retention of sufficient funds to meet anticipated fees and other expenses and subject to the ability to convert Dong income into foreign currency for purposes of paying such dividends. Any dividends unclaimed after a period of six years after having been declared will be forfeited and revert to the Company. No dividend payable by the Company on or in respect of any Ordinary Share will bear interest against the Company.

Accounting Policy

The audited accounts of the Company are prepared in accordance with International Financial Reporting Standards. The audited financial statements are sent to Shareholders within six months of the end of the relevant financial year. The Company also publishes an unaudited half-yearly interim report covering the six month period to 31 December each year within three months of that date.

Reports to Shareholders and Annual General Meetings

The Company's annual report and accounts are prepared up to 30 June each year and it is expected that copies will be sent to Shareholders before October. The Company's annual general meetings are usually held in September of each year.

Overseas Shareholders (including Swiss Shareholders)

The issue of Warrants to persons who have a registered or mailing address on countries outside of the EEA may be affected by the law or regulatory requirements of the relevant jurisdiction.

In particular, the Company qualifies as foreign collective investment scheme in the sense of article 119 of the Swiss Federal Act on Collective Investment Schemes of June 23, 2006 ("**CISA**"). The Company has not been authorized for public promotion, offer, sale, distribution or placement in or from Switzerland by the Swiss Financial Market Supervisory Authority, and no respective action has been taken or application been made under article 120 CISA and no such action or application must be expected to be taken or made. Accordingly, and based on article 3 of the Swiss Collective Investment Schemes Ordinance of November 22, 2006 ("**CISO**"), the Warrants may and will only be issued to

Overseas Shareholders resident in Switzerland who are known to the Company as being qualified investors within the meaning of article 10 para. 3 and 4 CISA and article 6 CISO ("**Swiss Qualified Investors**"). The Warrants and/or the Company must not be publicly promoted, offered, placed or distributed in or from Switzerland and no form of advertisement and no use of (mass) media with respect to the Warrants and/or the Company must be made within or from Switzerland. Neither this Prospectus nor any other offering material relating to the Warrants or an investment in the Company must be made public in Switzerland or disclosed to anybody other than Swiss Qualified Investors. Any Shareholder who is in doubt as to his position should consult an appropriate independent adviser.

PART III
THE INVESTMENT PORTFOLIO

Unaudited Portfolio Breakdown as at 18 May 2012

As at 18 May 2012, the Company's top ten investments were as follows:

Security Issuer	Number of shares held as at close of business on 18 May 2012
AnGiang Plant Protection	3,737,320
Vinamilk	1,781,775
Hau Giang Pharma	1,615,608
Hung Vuong Corporation	2,606,620
Dong Phu Rubber	1,425,520
Binh Minh Plastic	1,643,538
Eximbank	4,241,401
Dabaco Group	2,977,500
Viconship	1,637,624
Petrovietnam Drilling	1,454,858

There has been no material change in the holdings listed above since 11 May 2012, other than the acquisition of a further 294,170 shares in Hung Vuong Corporation.

Investment Portfolio

As at 11 May 2012, the Company's portfolio (the "**Portfolio**") held 28 equity investments, all in Vietnam-based assets, with a total value of $72.4 million, or 96.4% of the total NAV. The remainder of the portfolio is held in cash and cash equivalents.

Security issuer	Industrial sector	Market Value (USD mn)	% of Net Asset Value as at 11 May 2012	% of issued shares held	Exchange
AnGiang Plant Protection	Agro-chemicals & Fertilizers	8.785	11.7	6.0	Un-listed
Vinamilk	Food & Beverage	7.693	10.3	0.3	HoSE
Hau Giang Pharma	Health Care	4.883	6.5	2.5	HoSE
Hung Vuong Aqua	Food & Beverage	4.859	6.5	3.6	HoSE
Dong Phu Rubber	Basic Resources	3.932	5.2	3.3	HoSE

Binh Minh Plastic	Construction & Materials	3.856	5.1	4.7	HoSE
Eximbank	Banks	3.744	5.0	0.3	HoSE
Dabaco Group	Food & Beverage	3.399	4.5	6.2	HNX
Viconship	Industrial goods and services	3.182	4.2	6.9	HoSE
Petrovietnam Drilling	Oil & Gas	2.952	3.9	0.7	HoSE
Top 10 investment total		47.285	62.9		
Balance 18 investments		25.152	33.5		
Other net current assets		2.705	3.6		
Net Asset Value		75.152	100.0		

Sector breakdown as at 11 May 2012

The Company's investments span 13 sectors, as shown in the table below.

Sector	**% of Net Asset Value as at 11 May 2012**
Food & Beverage	21.2
Health Care	13.6
Agro-chemicals & Fertilizers	12.7
Basic Resources	11.9
Construction & Materials	9.5
Banks	8.1
Industrial Goods & Services	5.7
Oil & Gas	5.7
Retail	3.7
Automobiles & Parts	2.4
Insurance	0.8
Utilities	0.6
Personal & Household Goods	0.5

Historically, the Company's major investment sectors have been focused on two investment themes: agriculture and domestic consumption. In particular, Agro-chemical & Fertilizers represented approximately 13.1% of the market value of the Company's portfolio as 11 May 2012. Other investments in Basic Resources (12.3% of total portfolio market value) also reflect the portfolio's emphasis on the agriculture value chain. Although the agricultural sector now accounts for less than 25% of total GDP, Viet Nam is one of the world's leading producers and exporters of rice, coffee, seafood, pepper, cashew nuts and various other soft commodities.

The strong and sustained growth of the economy has also driven robust growth in domestic consumption over the last decade; investments in the Food & Beverages (22.0% of total portfolio market value) and Health Care (14.1%) (typically pharmaceutical companies) sectors illustrate the importance of this theme. However, the stock market performance did not reflect the country's economic environment as the concerns over macro-economic issues such as inflation and the depreciation of the VND deterred domestic and foreign investors from investing. As a consequence, the average Price to Earnings Ratio (**P/E**) of companies listed on the local stock exchanges decreased regularly.

Top-10 Investments as at 11 May 2012

A summary description of the Portfolio's top ten investments appears below. These 10 investments account for about 63% of the Portfolio's total NAV. Over the last six months, the Company has continued to build and rebalance its portfolio, partly divesting from large capitalisation stocks into second-tier growth companies that offer stability, diversity and long-term value. The focus remains on sectors and companies that are expected to generate credible earnings, which are best positioned to benefit from a continuing recovery of the financial markets and that have capable and focused management teams.

1 An Giang Plant Protection JS Company (AGPPS)

Shareholding as at 31 December 2011

SCIC	26%
Foreign investors	45%
Domestic investors	29%

Vietnam Holding's Investment as at 11 May 2012

Number of shares:	3,737,320
Total investment:	US$8.78 million
Average purchase price:	VND 36,658
% stake holding:	6.0%

Company Background

Founded in 1993 and equitized in 2004, An Giang Plant Protection (**AGPPS**) is a producer and distributor of crop protection products in Vietnam. The company is a distributor for Syngenta, a Swiss company, in the country. AGPPS is expanding into seed supply, and paddy collection and marketing, so as to provide a comprehensive crop solution to farmers. AGPPS organizes regular and applied training to farmers to promote sustainable agricultural practices.

Compared to the results as at 31 December 2010, the company's revenues and profit before tax grew 19.9% and 58.6% respectively as at 31 December 2011, reaching VND 4,869 Billion and

VND 569 Billion (US$ 231 million and US$ 27 million). As at 11 May 2012, the total market capitalisation of AGPPS was VND 3,043 billion (US$146 million) and its shares traded at 7.1 times their trailing earnings and 2.5 times their book value.

Sources: AGPPS 2010 & 2011 audited reports, Bloomberg. Exchange rate USD/VND at 21,034 as at 31 December 2011 and 20,845 as at 11 May 2012.

2 Vietnam Dairy Joint Stock Company (VNM)

Shareholding as at 31 December 2011

SCIC	45%
Foreign investors	49%
Domestic investors	6%

Vietnam Holding's Investment as at 11 May 2012

Number of shares:	1,781,775
Total investment:	US$7.69 million
Average purchase price:	VND 35,760
% stakeholding:	0.3%

Company Background

Vinamilk (VNM) is the leading producer and distributor of dairy and beverage products in Vietnam. The company originated as a state-owned enterprise in 1976, was equitized in 2005 and listed on the Ho Chi Minh Stock Exchange in 2006. In addition to dairy products, VNM has in the past three years penetrated the fruit juices and herbal drinks while coming out of the coffee segment. The company exports its milk products to numerous countries, including U.S., Australia, Canada, Russia, Turkey, Iraq, and South Korea.

As at 31 December 2011, VNM reached its US$ 1 billion turnover mark (VND 21,627 billion) for the first time, representing a 37% growth from 31 December 2010. Profit before tax increased by 17% during that period, to reach VND 4,979 billion (US$ 237 million). As at 11 May 2012, the company's total market capitalisation was VND 50,299 billion (US$2,400 million) with its shares traded at 11.1 times their trailing earnings and 3.7 times their book value.

Sources: VNM 2010 & 2011 audited reports, Bloomberg. Exchange rate USD/VND at 21,034 as at 31 December 2011 and 20,845 as at 11 May 2012.

3 Hau Giang Pharmaceutical Joint Stock Company (DHG)

Shareholding as at 31 December 2011

SCIC	44%
Foreign investors	49%
Domestic investors	7%

Vietnam Holding's Investment as at 11 May 2012

Number of shares:	1,615,608
Total investment:	US$4.84 million
Average purchase price:	VND 48,142
% stake holding:	2.5%

Company Background

Hau Giang Pharma (DHG) is one of Vietnam's leading pharmaceutical producers and distributors. Established in 1974 as a state-owned enterprise, DHG was equitized in 2004 and subsequently listed on HoChiMinh Stock Exchange in 2006.

DHG maintains a domestic distribution network throughout all 64 provinces in Vietnam. The company also exports its products to overseas markets, including Jordan, Taiwan, Malaysia and Singapore. DHG completed its soft-capsule factory in 2011, resulting in expanded capacity.

As at 31 December 2011, DHG reported revenues of VND2,491 billion ($118 million) and profit before tax of VND491 billion ($23 million), representing annual increases of 22% and 13% respectively from 31 December 2010. As at 11 May 2012, the company's total market capitalisation stood at VND 4,105 billion (US$195 million) and its shares traded at 9.4 times their trailing earnings and 2.8 times their book value.

Sources: DHG 2010 & 2011 audited reports, Bloomberg. Exchange rate USD/VND at 21,034 as at 31 December 2011 and 20,845 as at 11 May 2012.

4 Hung Vuong Corporation (HVG)

Shareholding as at 6 March 2012

Foreign investors	7%
Domestic investors	93%

Vietnam Holding's Investment as at 11 May 2012

Number of shares:	2,312,450
Total investment:	US$4.86 million
Average purchase price:	VND 25,490
% stake holding:	3.6%

Company Background

During 2011, Hung Vuong (HVG) became the largest exporter of frozen pangasius fish in Vietnam in terms of revenues. The company started as a private company, was equitized in 2007 and listed on the Ho Chi Minh Stock Exchange in 2009. The company's key product is frozen pangasius fillets. Exporting markets of Hung Vuong includes Europe, Russia, Brazil, Mexico, Australia, the U.S, Middle East, and Asian countries. Hung Vuong currently owns an integrated production process including fish hatchery, feed manufacturing, farming, processing, cold storage warehousing, and export.

As at 31 December 2011, HVG's revenues were VND 7,794 billion (US$ 371 million) and its profit before tax were VND 508 billion (US$ 24 million), achieving annual increases of 76% and

83% respectively from 31 December 2010. As at 11 May 2012, the company's total market capitalisation was VND 2,836 billion (US$136 million) and its shares traded at 6.0 times their trailing earnings and 1.3 times their book value.

Sources: HVG 2010 & 2011 audited reports, Bloomberg. Exchange rate USD/VND at 21,034 as at 31 December 2011 and 20,845 as at 11 May 2012.

5 Dong Phu Rubber Joint Stock Company (DPR)

Shareholding as at 31 December 2011

SCIC	56%
Foreign investors	35%
Domestic investors	9%

Vietnam Holding's Investment as at 11 May 2012

Number of shares:	1,425,520
Total investment:	US$3.93 million
Average purchase price:	VND 70,979
% stake holding:	3.3%

Company Background

Dong Phu Rubber (DPR), a member of the state-owned Vietnam Rubber Group (VRG), is a producer of natural rubber in Vietnam. The company cultivates and processes natural rubber on six plantations, totalling 7,245 hectares and produces approximately 16,470 tons of natural rubber every year. Half of the total revenues stem from exports, and 60% of DPR's outputs are shipped to China. DPR has in recent years expanded its plantation footprint to a neighbouring country, Cambodia.

As at 31 December 2011, DPR achieved revenues of VND 1,824 billion (US$ 87 million) and profit before tax of VND 939 billion (US$ 45 million), representing yearly growths of 77% and 116% respectively from 31 December 2010. As at 11 May 2012, the company's total market capitalisation was VND 2,473 billion (US$119 million) and its shares were traded at 2.9 times their trailing earnings and 1.3 times their book value.

Sources: DPR 2010 & 2011 audited reports, Bloomberg. Exchange rate USD/VND at 21,034 as at 31 December 2011 and 20,845 as at 11 May 2012.

6 BINH MINH Plastics Joint Stock Company (BMP)

Shareholding as at 31 December 2011

SCIC	30%
Foreign investors	49%
Domestic investors	21%

Vietnam Holding's Investment as at 11 May 2012

Number of shares: 1,643,538

Total investment: .... US$3.686 million

Average purchase price: .... VND 36,024

% stake holding: 4.7%

Company Background

Binh Minh Plastics (**BMP**) is a manufacturer of plastic water pipes and fittings, principally for the construction industry, in Vietnam. The company maintains an extensive distribution network of over 500 agencies across the country, servicing residential and civil construction projects. Originated from the South and headquartered in HoChiMinh City, BMP established a Northern subsidiary at the end of 2007, which started to generate profits in 2009, expanding product sales in the Northern part of the country. During 2010, BMP purchased a new production site in Long An province which will increase its total production capacity by 30-50% by 2013. The company, formerly a state-owned enterprise, was equitized in 2003, and listed in 2006.

For the year to 31 December 2011, BMP achieved VND 1,826 billion ($US 87 million) in revenues and VND 295 billion ($US 14 million) in profit before tax, representing annual increases of 29% and 6.9% respectively from 31 December 2010. As at 11 May 2012, the company's total market capitalisation was VND 1,712 billion (US$82 million) and its shares traded at 5.8 times their trailing earnings and 1.7 times their book value.

Sources: BMP 2010 & 2011 audited reports, Bloomberg. Exchange rate USD/VND at 21,034 as at 31 December 2011 and 20,845 as at 11 May 2012.

7 EXIMBANK (EIB)

Shareholding as at 31 December 2011

Foreign investors 30%

Domestic investors 70%

Vietnam Holding's Investment as at 11 May 2012

Number of shares: 4,241,401

Total investment: .... US$3.74 million

Average purchase price: .... VND 16,522

% stake holding: 0.3%

Company Background

Founded in 1989 and equitized in 2009, Eximbank (EIB) is a top-tier joint stock bank in Vietnam (by total assets and profits). The bank stands out for having a solid management team, a track record of high earnings growth rates, and strong assets quality. Sumitomo Mitsui (SMBC), a Japanese finance group, is EIB's strategic partner with 15% stake.

EIB ended 2011 on a high note with 84% and 70% growth in net interest income and profit before tax, respectively from 31 December 2010. The bank recorded VND 5,303 billion (US$ 252 million) in net interest income and VND 4,056 billion (US$ 193 million) in net profit before tax for the year. As at 11 May 2012, EIB's total market capitalisation was VND 22,734 billion (US$1,091 million) and its shares were traded at 7.5 times their trailing earnings and 1.4 times their book value.

Sources: EIB 2010 & 2011 audited reports, Bloomberg. Exchange rate USD/VND at 21,034 as at 31 December 2011 and 20,845 as at11 May 2012..

8 Dabaco Corporation JS Company (DBC)

Shareholding as at 31 December 2011

SCIC	12%
Foreign investors	25%
Domestic investors	63%

Vietnam Holding's Investment as at 11 May 2012

Number of shares:	2,977,500
Total investment:	US$3.40 million
Average purchase price:	VND 17,560
% stake holding:	6.2%

Company Background

Founded in 1996 and equitized in 2005, Dabaco Corporation (**DBC**) operates in the formulated feed and animal husbandry segment of Vietnam's agriculture. DBC is expanding into animal slaughtering, food processing, restaurants and retail outlets so as to provide a comprehensive food supply to consumers, ensuring food quality and safety. DBC organizes on-farm supervision as well as regular training to farmers to promote sustainable agricultural practices.

Compared to the results as at 31 December 2010, the company's revenues and profit before tax as at 31 December 2011 grew 56% and 17% respectively, reaching VND 3,918 billion and VND 238 billion (US$ 186 million and US$ 11 million). As of 11 May 2012, the total market capitalisation of DBC was VND 1,152 billion (US$55 million) and its shares traded at 2.5 times their trailing earnings and 0.7 times their book value.

Sources: DBC 2010 & 2011 audited reports, Bloomberg. Exchange rate USD/VND at 21,034 as at 31 December 2011 and 20,845 as at 11 May 2012.

9 Vietnam Container Shipping Joint Stock Company (VSC)

Shareholding

Foreign investors	49%
Domestic investors	51%

Vietnam Holding's Investment as at 11 May 2012

Number of shares:	1,637,624
Total investment:	US$ 3.18 million
Average purchase price:	VND 25,846

% stake holding: 6.9%

Company Background

Viconship (VSC) engages in four integrated businesses, comprising port services, container yards, cargo forwarding and truck transportation. It was founded in 1985, in Haiphong, as part of the Vinalines group. In 2002 it was equitized and subsequently listed on Ho Chi Minh Stock Exchange in early January 2008. Presently VSC has only 1.79% of state ownership, and foreign shareholders hold a maximum permitted 49% interest.

VSC operates an international sea port, 'Green Port', which can accommodate two ships of up to 10,000 deadweight each, at any one time. The container yards have 112,600 square meters, equivalent to 25,750 twenty-foot equivalent units, located in Haiphong near Green Port. VSC has acquired 10 hectares of land near Lach Huyen port to build a container yard in the north.

In 2011, VSC's revenues were VND 644 billion ($US 31 million) and its net profits were VND 191 billion ($US 9 million), achieving annual increases of 19% and 7% respectively. As of 11 May 2012, the company's total market capitalization was VND 961 billion (US$ 46 million) and its shares traded by 4.7 times of trailing earnings and 1.5 times of book value.

Sources: VSC 2010 & 2011 audited reports, Bloomberg. Exchange rate USD/VND at 21,034 as at 31 December 2011 and 20,845 as at 11 May 2012.

10 Petrovietnam Drilling & Well Services Corporation (PVD)

Shareholding as at 31 December 2011

PetroVietnam.. 50%

Foreign investors.. 35%

Domestic investors.. 15%

Vietnam Holding's Investment as at 11 May 2012

Number of shares: 1,454,858

Total investment: .... US$2.95 million

Average purchase price: .... VND 79,386

% stake holding: 0.7%

Company Background

PetroVietnam Drilling (PVD) owns and operates drilling rigs, and provides technical and manpower services to both local and international oil operators who are conducting exploration and production activities in Vietnam's waters. PVD currently owns a fleet of five rigs. Drilling services contributed 50% of consolidated revenues, with well services accounting for approximately 20%. Formerly wholly-owned by state-run PetroVietnam, PVD was equitized in September 2004 and subsequently listed in December 2006.

As at 31 December 2011, PVD's revenues and profits before tax reached VND 9,211 billion (US$ 438 million) and VND 1,229 million (US$ 58 million), growing by 22% and 21%, respectively from 31 December 2010. As at 11 May 2012, the company's total market capitalisation was VND 8,554 billion (US$410 million) and its shares traded at 8.5 times their trailing earnings and 1.4 times their book value.

Sources: PVD 2010 & 2011 audited reports, Bloomberg. Exchange rate USD/VND at 21,034 as at 31 December 2011 and 20,845 as at 11 May 2012.

Impact of SRI Policy on the Company's Investment Portfolio:

The Company regularly reviews all of its investments by reference to ESG standards, taking into account ESG criteria applicable to the Vietnamese market. The Company's assessment of Investee Companies is done primarily on a qualitative basis, with an emphasis on their progress in implementing these ESG standards. Where the review indicates that an Investee Company does not meet ESG standards to the Company's satisfaction, the Company seeks an active dialogue with Investee Companies' management on the adoption of ESG considerations. In the event where the proposed transition to ESG standards does not receive a positive reception by the Investee Company, the Company may either cancel, reduce or withdraw its investment.

Investment Performance

Total return performance in US Dollars to 11 May 2012, per cent

	Since 31.01.12	Since 30.10.11	Since 30.04.11	Since 30.04.09	Since 30.04.07
NAV per Share	20.5	21.1	20.1	28.3	-36.5
Price per Share	48.5	50.5	18.6	55.8	-47.3
VNI US$ adjusted	24.8	15.0	-1.0	-0.6	-60.0

Source: Bloomberg and LCF Rothschild.

As at 11 May 2012, the latest practicable date prior to the publication of this document, the Net Asset Value per Share was US$1.377.

Vietnam Market Update and Investment Outlook

Despite the adverse global economic backdrop in 2011, Vietnam's GDP grew by 5.9% last year. Looking to 2012, the Vietnam government is forecasting 6-6.5% GDP growth, while the IMF and Asian Development Bank are anticipating 6.3% growth in coming year.

That rise in global prices helped drive a 33% increase in Vietnam's export earnings, to around US$96bn in 2011, and the final balance of payments figures for 2011 will probably produce positive results, at around US$1.8bn. This was achieved despite fairly modest levels of new foreign direct investment activity (US$6.8bn inflows in 2011), and what is likely to be the start of a gradual trending down in ODA inflows, now that Vietnam's population has graduated beyond the US$1,000 per capita GDP milestone. Vietnam's presence as a major global exporter of agricultural products and light manufactures is increasingly apparent in trade flow statistics.

The country also continues to receive quite substantial remittances from Vietnamese living and working overseas, which the government estimates amounted to US$10bn in 2011. This helps offset much of the trade deficit bill.

High inflation continued to be an issue of some concern in Vietnam, and was one of the main focuses of economic policy-makers' attention throughout 2011, peaking at 23% in August, and ending the year at 18.6%. In response, a tight monetary policy stance was adopted by the central bank and by end-March 2012 the inflation rate was down to 14.2% year-on-year, and just 0.2% month-on-month. The primary challenge for the government in battling inflation is also the need to wean the economy off subsidies in areas like petroleum, water and electricity prices, so that more sustainable utilities margins and revenues can develop, thereby attracting private investment into these areas, and lessening the burden placed on the limited State budget.

Inflation worries also placed downward pressure on the local currency, the VND, in 2011, with depreciation against the US dollar of 7.4% last year. However as inflation has begun to weaken, the VND has shown greater strength, and by end-March 2012 the VND had appreciated by 0.88% against the US dollar, year-to-date.

The recent decline in inflation has allowed Vietnam's policy-makers to begin loosening some of the constraints placed on the banking sector in 2010 and 2011: credit growth in 2011 was 10.9%, compared with an unsustainable 37.7% in 2009. For example, the central bank has issued a more nuanced set of guidelines on credit growth limits for commercial banks, based on an assessment and grading of their individual strengths, rather than the previous sector-wide cap. A similar sector-wide cap placed on interest rates of 14% was reduced to 13% in early March 2012. Yet, difficulties in the property sector and a general decline in real estate prices helped to sustain concerns about overall non-performing loan levels in the banking sector, as property is by far the most common form of collateral.

Nevertheless, Vietcombank was able to proceed with a private placement to a large strategic foreign investor in late 2011, and BIDV was able to conduct a modest IPO in the last week of 2011. There have also been a number of M&A deals in the domestic banking sector over the last six months, as smaller banks seek to lean on more robust entities.

The State Securities Commission recently announced that it will merge the Hanoi and Ho Chi Minh City stock exchanges into a single entity, probably in late 2012. The Commission has also introduced extended daily trading hours on the exchanges. These initiatives were prompted in part by the lacklustre performance of Vietnam's two stock markets in recent years, with the benchmark VNI index one of the worst performing indices in Asia in 2010 and 2011. During this period, domestic investors in particular became somewhat disenchanted with equities, as an asset class, seeing greater returns to be made in other areas, such as gold. As a consequence, the average P/E and P/B valuation multiples for Vietnamese listed equities became relatively low, trading at levels much lower than other frontier market peers.

The stock market indices in Vietnam have displayed strong performance thus far in 2012, on increasingly large trading volumes and foreign institutional investor buying activity. As at end-March 2012, for example, the overall VNI was up 25%, the VNI 30 was up 29%, and the HNX Index was up 23% year to date. This has helped take the combined Hanoi and Ho Chi Minh City stock exchanges' market capitalisation to US$33.93bn. Improved investor sentiment is widely thought to reflect an improving macro-economic environment and robust earnings performance from a wide range of listed and unlisted companies in Vietnam. Retail sales growth in Vietnam in 2011 was over 24% year-on-year.

The recent advances of Vietnamese equity market found its strength in the combination of the low valuations of shares and the anticipation of ongoing positive economic news. Further improvements of the macro-economic data and improving corporate earnings could provide the fuel for the market's continuing good performance. Declining inflation rates throughout the spring and summer period are expected to give the State Bank of Vietnam increasing flexibility to ease-up the tight monetary policy regiment. The resulting declines in interest and increasing liquidity should provide a welcome boost to the corporate world and to the stock markets.

The Company anticipates that companies, which benefit from the traditional high growth rates of the domestic consumer sectors, as well as agriculture-related companies will be well positioned to continue to enjoy above-average earnings growth. These two asset allocations are therefore expected to continue to make up a dominant portion of the Company's investment portfolio.

PART IV
OPERATING AND FINANCIAL REVIEW AND OTHER FINANCIAL INFORMATION

1 Business Overview

The Company is a closed-end investment company. The Company's investment objective is to deliver sustainable medium to long-term growth through an investment portfolio consisting of public and private Vietnamese companies, incorporating ESG standards.

The Company has been admitted to trading on AIM since June 2006 and has maintained a secondary quotation on the Frankfurt Stock Exchange's Entry Standard since October 2008.

2 Selected financial information

The selected financial information in this Part IV and the historical financial information in Part V of this document has, unless otherwise stated, been extracted without material adjustment from the audited financial information of the Company for the financial years ended 30 June 2009, 30 June 2010 and 30 June 2011 and the unaudited financial information for the six months period ended 31 December 2011.

Key Financial Data:

	31 December 2011	*30 June 2011*	*30 June 2010*	*30 June 2009*
	US$	*US$*	*US$*	*US$*
Total assets	61,199,464	62,645,310	79,086,298	66,968,900
Share capital	111,215,925	112,181,354	112,500,000	112,500,000
Retained earnings	(51,277,522)	(49,908,554)	(33,940,002)	(45,900,287)
Net Asset attributable to shareholders	59,938,403	62,716,109	79,134,355	66,665,110
Net Asset Value per share	1.098	1.122	1.407	1.185

Other Performance Indicators:

The Directors also use a number of financial and non-financial indicators to review and monitor the Company's performance on a regular basis.

	6 months to 31 December 2011	*12 months to 30 June 2011*	*12 months to 30 June 2010*	*12 months to 30 June 2009*
	%	*%*	*%*	*%*
Share price total return	-4.17%	-15.68%	9.14%	-36.28%
NAV per share growth	-2.14%	-20.27%	18.72%	-3.71%
VNI, US$ adjusted	-20.46%	-20.95%	5.38%	6.38%

3 Review of results

The following paragraphs set out a review of the financial years ended 30 June 2009, 30 June 2010 and 30 June 2011 and the six month period ended 31 December 2011.

Financial year ended 30 June 2009

In the summer of 2008, foreign direct and portfolio investment inflows into Vietnam contracted and the country's export earnings growth slowed, largely due to the global economic crisis. The government intervened with an economic stimulus package, including a credit guarantee scheme, tax reductions and the acceleration of a variety of infrastructure projects. Following this GDP growth increased to 3.9% in the first half of 2009 (on an annualised basis).

In the first half of 2009, foreign direct investment inflow pledges and disbursements both declined by around 75%, compared with the first half of 2008. Total export earnings in the first half of 2009 declined by 13.4% from the second half of 2008. However imports also contracted by 14.5%.

In the first half of 2009, the consumer price inflation rate was 2.7% per annum compared to a high of 28.3% per annum in August 2008. The VND weakened from 16,840/US$ 1 at end-June 2008 to 17,760/US$ 1 a year later.

The stock market remained turbulent. From 30 June 2008 to 30 June 2009, the Vietnam Index (VNI) rose by 12% from 399 to 448. It peaked at 562 in late August 2008 and hit a low of 236 in late February 2009.

At the end of June 2009, the Company held equity investments in 32 Vietnamese companies with an aggregate value of US$61.91 million, comprising 92.9% of the Net Asset Value compared with US$54.74 million or 79.8% of Net Asset Value on 30 June 2008.

This increase resulted essentially from new investments effected during the period in the sectors of food & beverage (Vinamilk), natural resources and agro-chemicals (Dong Phu Rubber, Tay Ninh Rubber, Phu My Fertiliser…) and banks (Sacombank). These investments exceeded divestments in utilities, oil and gas, construction & materials, industrial goods and services (Vitaco, Postef, But Son Cement, VFMVF1, Petrovietnam Chemicals.). Within the equity investment portfolio, several unlisted stocks were listed during the period, which contributed to a decline in the Company's unlisted assets from US$20.26 million to US$11.68 million.

The Net Asset Value declined from US$69.2 million in June 2008 to US$66.7 million in June 2009 (a decrease of 3.6%) mainly due to the decrease in price of unlisted investments and to Imexpharm's 35% decrease in share price. Another factor was the depreciation of the VND against the Dollar of 5.5% during the period.

Interest income was reduced from US$1.44 million to US$82,052 during the period, whereas dividend income increased from US$1.42 million to US$3.08 million, reflecting a move from interest earning securities to shares.

Financial year ended 30 June 2010

The financial year ended 30 June 2010 was a further period of recovery for the Vietnamese economy. An economic stimulus package played an important role in the 2009 recovery, and it included both fiscal and monetary measures. In the last two quarters of 2009, Vietnam's GDP grew by 6.0% and 7.4% year-on-year, respectively, and grew 5.8% and 6.4% in the first and second quarters of 2010.

During this period, the VND depreciated against the US$ by 7.1%. The consumer price index rose 8.6% for the year ending in June. Commercial bank interest rates gradually rose over the fiscal year to end in June 2010 at around 14% while deposit rates also rose to around 11%.

Between July 2009 and June 2010, the VNI index rose 13.1%, while the HNX-I index grew by 6.6%. Most of these gains occurred in the latter half of 2009. During that period, 81 companies listed on the HOSE in Ho Chi Minh City and 106 companies listed on the HNX in Hanoi, bringing the aggregate number of listed companies in Vietnam to 547 as at 30 June 2010. The market capitalisations of Vietnam's stock markets stood at US$28.9 billion (HOSE) and US$7.6bn (HNX) at that time.

At the Company's annual general meeting held in November 2009, Shareholders approved the Company's revised investment policy, which incorporated sustainable and responsible investment criteria ("**SRI**"). The Company therefore became the first SRI fund focussed on

Vietnam. ESG criteria have since formed part of the Company's investment selection and development.

As at 30 June 2010, the Company held equity investments in 31 Vietnamese companies with an aggregate value of US$76.6 million, comprising 96.8% of the Net Asset Value. On that date, 69.6% of the Company's portfolio was listed on the HOSE whereas 22% of the portfolio was unlisted.

Over the 12 month period ended 30 June 2010, the Company's NAV increased by 18% while the VNI index increased by 13%. During the period, the Company invested further in the healthcare (Hau Giang Pharma), retail (Phu Nhuan Jewelry) and banking (Eximbank) sectors. It divested from utilities (Pha Lai Power, Ba Ria Thermal) and from specific companies in other sectors. Investment out-performance versus the VNI index was mainly due to the appreciation of major stocks in the portfolio, such as Binh Minh Plastics, Pinaco, AGPPS and Vinamilk, which all increased by more than 50% in the period.

Cash and cash equivalents further reduced from US$5 million to US$3 million during the period, reflecting additional equity investments. The reduction in dividend income from US$3.1 million to US$1.8 million was largely due to Investee Companies issuing scrip dividends in lieu of cash dividends.

Financial year ended 30 June 2011

Vietnam's annualised GDP growth was 7.3% in the latter half of 2010 and 5.6% in the first half of 2011. Industrial output grew by over 14% in the first half of 2011, led by the private sector and foreign-invested projects.

However, stock market performance did not reflect this GDP growth. By the end of June 2011, consumer price inflation was running at almost 21% year-on-year. During the same period, the VND was devalued by 7.9% against the Dollar. The VNI index ended June 2011 at 432.5; a decline of 14.7% over the previous twelve months. The downturn was even more pronounced on the HNX index in Hanoi, which fell by 53% in the twelve months to 30 June 2011.

As at 30 June 2011, the Company held equity investments in 30 Vietnamese companies, with an aggregate value of US$ 60.58 million, comprising 96.6% of the Net Asset Value. On that date, 73.9% of the Company's portfolio was listed on the HOSE and 17.2% of the Company's portfolio was unlisted.

During the period, the Net Asset Value decreased approximately on a par with the VNI index when taking into account the 7.9% depreciation of the VND against the Dollar. Although Vinamilk, Hau Giang Pharma and Phu My Fertilizer increased in price, other stocks suffered sharp declines including Binh Minh Plastics, Dong Phu Rubber, Petrovietnam Drilling and Pinaco. The Company sold its stake in Vinacafe and made additional investment into companies in various sectors, notably Vinamilk, Hau Giang Pharma, Phu Nhuan Jewelry, Traphaco and National Seeds.

The Directors believe that the focus on two key investment themes, domestic consumption and agriculture related industries, contributed towards the Company's overall performance. The Company's investments in these two sectors, which accounted for more than 60% of the Company's investment portfolio, declined by just 5.1% and 0.6% respectively over the period.

Interim Period ended 31 December 2011

GDP growth for the 2011 calendar year was a relatively modest 5.9%, compared with 6.8% in 2010. Vietnam's export earnings increased to approximately US$96 billion in 2011, an increase of 33% on the previous year, bringing the trade deficit down to about US$10 billion for the calendar year. The balance of payments in 2011 is estimated to have been positive, at around US$2 billion.

After having weakened significantly against the Dollar in the first half of 2011, the VND was relatively firmer in the latter part of the year, with the exchange rate as at 31 December 2011 close to VND 21,000 to the Dollar.

The VNI index continued its decline in the latter half of 2011, falling by 27.46% over the six month period, with a 48.6% decrease on Hanoi's HNX index over the same period.

The Net Asset Value declined by 2.1% over the period, against an 18.7% decline in the VNI index over the six month period. The Company sold a number of investments in the period, (including the sale of its stake in Sacombank, and part of its stake in AGPPS, together with other companies in various sectors).

As a result, cash and cash equivalents increased from US$2.4 million on 30 June 2011 to US$10.9 million on 31 December 2011, whereas investment in securities fell from US$60.1 million to US$49.7 million, which reflected the Company's defensive strategy in a declining market.

Operating expenses decreased by 16% during the second half of 2011 when compared to the same period of 2010. This was a result of cost saving measures undertaken earlier in the year. This was achieved in spite of the weakening of the Dollar against most of the currencies in which the Company's expenses are denominated during the period.

4 Material developments since 31 December 2011

Vietnam's equity market indices have risen strongly from mid-January 2012. The VNI index was up from 351 as at 31 December 2011 to 441 as at 31 March 2012, a 25.6% increase.

In the Company's view, this increase stems from a number of factors. The inflation rate continues to decrease and interest rates are expected to be lowered soon as the macro-economic backdrop gradually improves. Inflation continued to decline and the trade deficit also continues to contract contributing to higher foreign exchange reserves. Relative to the GDP the trade deficit has been significantly reduced over the last two years. The central bank's handling of the banking sector is also seen as a positive. Foreign funds injected US$79 million into the equities markets in February, which is equal to almost 95% of all foreign portfolio inflows during 2011. The VND appreciated against the Dollar by 0.88% between 31 December 2011 and 31 March 2012.

In this context, the Company started investing actively, either increasing its stake in existing Investee Companies or acquiring stakes in new targets. As a result, equity investments represented 90.86% of the NAV as at 31 March 2012, an increase from 83.02% as at 31 December 2011.

5 Capitalisation and Indebtedness

	US$
Total current debt – as at 31 March 2012 (un-audited)	**-**
Guaranteed debt	-
Secured	-
Unguaranteed/unsecured	-
Total non-current debt (excluding current portion of long-term debt) – as at 31 March 2012 (un-audited)	**-**
Guaranteed debt	-
Secured	-
Unguaranteed/unsecured	-
Shareholders' equity – as at 31 December 2011 (un-audited)	
Share capital	111,215,925
Legal reserves	-
Other reserves	-
Total	**111,215,925**

6 Net indebtedness

(As at 31 March 2012, un-audited)

	US$
A. Cash	8,103,959
B. Cash equivalents	-
C. Trading securities	-
D. Liquidity (A) + (B) + (C)	**8,103,959**
E. Current Financial Receivable	**-**
F. Current bank debt	-
G. Current portion of non-current debt	-
H. Other current financial debt	-
I. Current Financial Debt (F) + (H) + (G)	**-**
J. Net Current Financial Indebtedness (I) – (E) – (D)	**(8,103,959)**
K. Non-current bank loans	-
L. Bonds issued	-
M. Other non current loans	-
N. Non current Financial Indebtedness (K) + (L) + (M)	**-**
O. Net financial indebtedness (J) + (N)	**(8,103,959)**

As at 31 March 2012, the company does not have any indirect or contingent indebtedness.

7 Working Capital

In the Company's opinion, the Company has sufficient working capital for its present requirements, that is, for at least the 12 months following the date of this document.

Furthermore, the Directors are of the opinion that, having made due and careful enquiry, the working capital available to the Company will be sufficient for its present requirements, that is, for at least 12 months from the date of Admission.

8 Impact of the Bonus Issue

The issue of the Warrants itself has no material impact on the Company's assets, earnings or liabilities.

Whilst there is no guarantee that any of the Warrants will be converted to Shares, where any Warrants are converted into Shares, the total assets of the Company will increase by the number of Shares that are issued multiplied by the Exercise Price. If all of the Warrants are converted into Shares this will result in gross proceeds of approximately US$21.8 million being received by the Company on the exercise date of 13 December 2012. Any proceeds raised on the conversion of the Warrants will be invested in accordance with the Company's investment policy.

It is not expected that there will be any material impact on the earnings and liabilities per Share as a result of any conversion of the Warrants. Prior to fully investing the additional capital resulting from such conversion in accordance with the investment objective and policy of the Company, the proceeds may initially be invested in interest bearing liquid financial instruments, such as bonds issued by the Vietnamese government. As the number of the Company's shares in circulation is expected to increase after the conversion of the Warrants, the Company's total expenses per share is likely to decline, contributing positively to its earnings per share.

PART V
FINANCIAL INFORMATION RELATING TO THE COMPANY

1 Historical Financial Information Statutory accounts for the three financial years ended 30 June 2009, 2010 and 2011

The auditors of the Company for the three financial years ended 30 June 2009, 2010 and 2011 were KPMG Audit S.à.r.l. 31, Allée Scheffer L-2520 Luxembourg who are a "*cabinet de révision agréé*" and member of the "*institut des réviseurs d'entreprises (IRE)*" in Luxembourg. KPMG Audit S.à.r.l. were not reappointed as auditors for the Company for 2012 as the Company decided, in agreement with them, that it was preferable for the auditors to be based in Singapore. On 19 March 2012, the Company appointed the Auditors, KPMG LLP Singapore, as new auditors of the Company who remain as such as at the date of this prospectus

Statutory accounts of the Company for the three financial years ended 30 June 2009, 2010 and 2011, in respect of which the Company's auditors at the time, KPMG Audit S.à.r.l., have given unqualified opinions that the accounts give a true and fair view of the state of affairs of the Company and of its total return and cash flows for each of the three relevant financial years and have been properly prepared in accordance with International Financial Reporting Standards.

Financial Statements for the year ended 30 June 2011 with Auditors Report thereon

Independent Auditor's Report

KPMG Audit
9, Allée Scheffer
L-2520 Luxembourg

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Fax +352 22 51 71

audit@kpmg.lu
www.kpmg.lu

To the Shareholders of VietNam Holding Limited
c/o Card Corporate Services Ltd.,
Fourth Floor, Zephyr House,
122 Mary Street,
PO Box 709GT,
Grand Cayman,
KY1-1107, Cayman Islands

Report on the financial statements
Following our appointment by the General Meeting of the Shareholders dated 23 September 2010, we have audited the accompanying financial statements of VietNam Holding Limited, which comprise the statement of financial position as at 30 June 2011 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the financial statements
The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the Réviseur d'Entreprises agréé
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgement of the Réviseur d'Entreprises agréé, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the Réviseur d'Entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors,as well as evaluating the overall presentation of the financial statements.

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

Opinion
In our opinion, the financial statements give a true and fair view of the financial position of VietNam Holding Limited as of 30 June 2011, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Other matter
Supplementary information included in the annual report has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the financial statements taken as a whole.

KPMG Audit S.a r.l.
Cabinet de revision agréé

V. Chan Yin
Luxembourg, 19 August 2011

	Notes	As at 30.06.11 US$	As at 30.06.10 US$
Assets			
Cash and cash equivalents	2	2,439,854	2,982,599
Investments in securities at fair value	2,3	60,139,513	76,020,986
Accrued dividends		54,740	82,713
Receivable on sale of investment		11,203	-
Total assets		**62,645,310**	**79,086,298**
Equity (at bid-market prices)			
Share capital		112,181,354	112,500,000
Retained earnings		(49,908,554)	(33,940,002)
Total equity		**62,272,800**	**78,559,998**
Liabilities			
Accrued expenses		372,510	526,300
Total liabilities		**372,510**	**526,300**
Total equity and liabilities		**62,645,310**	**79,086,298**
Total equity represented by:			
- Net assets attributable to shareholders (last traded prices)		62,716,109	79,134,355
- Adjustment from last traded prices to bid - market prices		(443,309)	(574,357)

The net asset value per share based on last traded prices was US$ 1.122 as at June 30, 2011 (June 30, 2010: US$ 1.407) as per the prospectus and the net asset value per share based on bid-market prices, as per IFRS, was US$ 1.114 as at June 30, 2011 (June 30, 2010: US$ 1.397). This is based on 55,906,862 shares outstanding (June 30, 2010: 56,250,000).

The financial statements on pages 58 to 76 were approved by the Board of Directors on August 19, 2011 and were signed on its behalf by

Min-Hwa Hu Kupfer Nguyen Quoc Khanh

Chairperson of the Board of Directors Chairman of the Audit Committee

The notes on pages 64 to 76 form an integral part of these financial statements.

	Notes	Year ended 30.06.11 US$	Year ended 30.06.10 US$
Interest income	6	234	509
Dividend income from equity securities designated at fair value through profit or loss		2,532,812	1,817,915
Realised loss on investments		(599,410)	(861,461)
Change in fair value of securities designated at fair value through profit or loss	2	(15,110,637)	14,498,355
Net foreign exchange gain/(loss)	2	7,382	(372,638)
Net investment (loss) / income		**(13,169,619)**	**15,082,680**
Investment management fees	7	1,449,229	1,631,578
Advisory fees		111,452	124,562
Accounting fees	9	100,000	100,000
Custodian fees	8	140,642	134,056
Director fees and expenses	7	276,087	251,208
Brokerage fees		67,369	13,237
Audit fees		59,746	61,753
Publicity and investor relations fees		297,381	375,013
Insurance fees		45,000	45,000
Administration expenses		159,500	203,557
Risk management expenses		58,150	144,696
Technical assistance for investee companies		34,377	37,735
Total operating expenses		**2,798,933**	**3,122,395**
Change in net assets attributable to shareholders		**(15,968,552)**	**11,960,285**
Earnings per share - basic and diluted	12	(0.29)	0.21

The notes on pages 64 to 76 form an integral part of these financial statements.

	Share Capital	Retained Earnings	Total
Balance at June 30, 2009	112,500,000	(45,900,287)	66,599,713
Total comprehensive income for the year			
Profit or loss	-	11,960,285	11,960,285
Balance at June 30, 2010	112,500,000	(33,940,002)	78,559,998
Repurchase and cancellation of shares	(318,646)	-	(318,646)
Total comprehensive income for the year			
Profit or loss	-	(15,968,552)	(15,968,552)
Balance at June 30, 2011	112,181,354	(49,908,554)	62,272,800

The notes on pages 64 to 76 form an integral part of these financial statements.

	Year ended 30.06.11	Year ended 30.06.10
	US$	US$
Cash flows from operating activities		
Increase/(decrease) in net assets attributable to shareholders	(15,968,552)	11,960,285
Adjustments for:		
Interest income	(234)	(509)
Dividend income	(2,532,812)	(1,817,915)
Net realised loss on investments	599,410	861,461
Change in fair value of securities designated at fair value through profit or loss	15,110,637	(14,498,355)
Unrealised foreign currency loss/(gain)	101,092	(218,005)
	(2,690,459)	**(3,713,038)**
Net (decrease)/increase in other receivables and payables	(164,993)	120,909
Cash used in operations	**(2,855,452)**	**(3,592,129)**
Interest received	234	509
Dividends received	2,560,631	1,781,711
Net cash (used in) operating activities	**(294,587)**	**(1,809,909)**
Cash flows from investing activities		
Purchase of investments	(5,702,247)	(8,642,200)
Proceeds from sale of investments	5,873,827	8,145,941
Net cash from/(used in) investing activities	**171,580**	**(496,259)**
Cash flows from financing activities		
Payment for buy-back of shares	(318,646)	-
Net cash (used in) financing activities	**(318,646)**	**-**
Net (decrease) in cash and cash equivalents	(441,653)	(2,306,168)
Cash and cash equivalents at the beginning of the year	**2,982,599**	**5,070,762**

Effect of exchange rate fluctuations on cash held	(101,092)	218,005
Cash and cash equivalents at the end of the year	**2,439,854**	**2,982,599**

The notes on pages 64 to 76 form an integral part of these financial statements.

1 THE COMPANY

VietNam Holding Limited (**VNH** or the **Company**) is a closed-end investment holding company incorporated on April 20, 2006 as an exempt company under the Companies Law in the Cayman Islands and commenced its operations on June 15, 2006, to invest principally in securities of former State-owned Entities (**SOEs**) in Vietnam, prior to, at or after the time such securities become listed on the Vietnam stock exchange, including the initial privatisation of the SOEs. The Company may also invest in the securities of private companies in Vietnam, whether Vietnamese or foreign owned, and the securities of foreign companies if a significant portion of their assets are held or operations are in Vietnam.

The investment objective of the Company is to achieve long-term capital appreciation by investing in a diversified portfolio of companies that have high growth potential at an attractive valuation.

Vietnam Holding Asset Management Limited (VNHAM) has been appointed as the Company's Investment Manager and is responsible for the day-to-day management of the Company's investment portfolio in accordance with the Company's investment policies, objectives and restrictions.

Credit Suisse Zürich has been appointed to act as custodian of the Company's assets (as can be legally held outside of Vietnam). Vietnamese law requires that the Company's shares in listed companies must be held by a custodian registered as such in Vietnam and these assets will therefore be held by the Vietnam sub-custodian. HSBC (Vietnam) has been appointed to act as sub-custodian. Credit Suisse Asset Management Fund Service (Luxembourg) S.A. (now Credit Suisse Fund Services (Luxembourg) S.A.) has been appointed to act as the administrator of the Company.

The registered office of the Company is CARD Corporate Services Ltd., Fourth Floor, Zephyr House, 122 Mary Street, PO Box 709 GT, Grand Cayman, KY1-1107, Cayman Islands.

2 PRINCIPAL ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and interpretations adopted by the International Accounting Standards Board and the European Union.

(b) Basis of preparation

The financial statements are presented in US$ and rounded to the nearest US$. They are prepared on a fair value basis for financial assets and financial liabilities at fair value through the profit or loss account. Other financial assets and liabilities are stated at amortised cost.

The shares were issued in US$ and the listings of the shares are in US$ and Euro. The performance of the Company is measured and reported to the investors in US$, although the primary activity of the Company is to invest in the Vietnamese market. The Board of Directors considers the US$ as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in US$, which is the Company's functional and presentation currency.

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimated and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

The Company has adopted IFRS 8 “Operating Segments” as of January 1, 2009. The new standard requires a “management approach”, under which segment information is presented on the same basis as that used for internal reporting purposes.

The Board has considered the requirements of IFRS 8 “Operating Segments” and is of the view that the Company is engaged in a single segment of business, being investment in Vietnam. The Board, as a whole, has been determined as constituting the chief operating decision maker of the Company. The key measure of performance used by the Board to assess the Company’s performance and to allocate resources is the total return on the Company’s net asset value, as calculated under IFRS as adopted by the European Union and as per the prospectus, and therefore no reconciliation is required between the measure of profit or loss used by the Board and that contained in these financial statements.

There were no new IFRS standards applied for the year ended 30 June 2011.

(c) **Foreign currency translation**

Transactions in foreign currencies other than the functional currency are translated at the rate ruling on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated to US$ at the rates ruling on the year-end date. Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are included in the statement of comprehensive income. Foreign currency exchange differences relating to financial instruments held-for-trading are included in the realised and unrealised gains and losses on those investments. All other foreign currency exchange differences relating to other monetary items, including cash and cash equivalents, are included in net foreign exchange gains and losses in the statement of comprehensive income.

(d) **Financial instruments**

(i) Classification

The Company designated all its investments as financial assets at fair value through profit or loss category.

Financial instruments designated at fair value through profit or loss upon initial recognition. These include financial assets that are not held for trading purposes and which may be sold. These are investments in exchange-traded equity instruments and unlisted equity instruments.

Financial assets that are classified as loans and receivables include accrued dividends.

Cash and cash equivalents are valued at amortised cost.

Financial liabilities that are not at fair value through profit or loss include accrued expenses.

(ii) Recognition

The Company recognises financial assets held for trading on the trade date, being the date it commits to purchase the instruments. From this date, any gains and losses arising from changes in fair value of the assets or liabilities are recorded.

Financial liabilities are not recognised unless one of the parties has performed its obligation.

(iii) Derecognition

A financial asset is derecognised when the Company no longer has control over the contractual rights that comprise that asset. This occurs when the rights are realised, expire or are surrendered.

Financial assets that are sold are derecognised, and corresponding receivables from the buyer for the payment are recognised on the trade date, being the date the Company commits to sell the assets.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

The weighted average method is used to determine realised gains and losses on derecognition.

(iv) Measurement

Financial instruments are measured initially at cost. For financial assets acquired, cost is the fair value of consideration given. Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately.

Valuation

Investments are recorded at fair value. The fair value of the securities is based on their quoted bid price at the balance sheet date without any deduction for transaction costs.

If the securities are not listed, the value of the relevant securities is ascertained by the Board of Directors in good faith using valuation methods which it considers fair in the circumstances including quotes received from brokers and other third party sources where possible.

As at June 30, 2011, 16.6% (June 30, 2010: 21%) of the valuations of the net assets of the Company were based on quotes obtained from brokers.

Any increases or decreases in values are recognised in the statement of comprehensive income as an unrealised gain or loss.

(v) Gains and losses on subsequent measurement

Gains and losses arising from a change in the fair value of financial instruments are recognised in the statement of comprehensive income.

(vi) Impairment

Financial assets that are stated at cost or amortised cost are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, an impairment loss is recognised in the statement of comprehensive income as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

If in a subsequent period the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through the statement of comprehensive income.

(vii) Specific instruments

Cash and cash equivalents

Cash comprises current deposits with banks and fixed deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(e) **Interest income and expense**

Interest income and expense is recognised in the statement of comprehensive income using the effective rate method.

Interest income includes the amortisation of any discount or premium on zero coupon bonds, which is taken as income on the basis of yield to redemption, from the date of purchase.

(f) **Formation expenses**

Costs attributable to the establishment of the Company have been expensed in full.

(g) **Offsetting**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Company has a legally enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis or simultaneously, e.g. through a market clearing mechanism.

(h) **Amounts due to/from brokers**

Amounts due to/from brokers represent security purchases and sales transactions which are contracted for but not yet delivered at the end of the accounting period.

(i) **Taxation**

At present, no income, profit, capital, or capital gain taxes are levied in the Cayman Islands, and accordingly, no provision for such taxes has been recorded by the Company in the accompanying financial statements.

In the event that such taxes are levied, the Company has received an undertaking from the Governor in Cabinet of the Cayman Islands exempting it from all such taxes for a period of twenty years from May 2, 2006.

(j) **Adoption of new and revised standards**

Adoption of new standards and amendments to existing standards

In addition to the adoption of IFRS 8, in November 2009, the European Union adopted IFRS 7 *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*, which became applicable from January 1, 2009. The Company adopted these amendments in the 2010 financial statements.

The amendments require disclosures relating to fair value measurements using a three-level hierarchy that reflects the significance of inputs used in measuring fair values and contains the following three levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The amendments also revise the minimum disclosures on liquidity risk including an analysis of remaining contractual maturities for non derivative financial liabilities, and a maturity analysis for derivative financial liabilities for which those contractual maturities that are essential for an understanding of the timing of cash flows. The amendments also require disclosure of how liquidity risk inherent in these items is managed.

IFRS 9 – Financial Instruments

Effective date 1 January 2013, early adoption permitted.

IFRS 9 is part of the replacement project for IAS 39. The current issue of IFRS 9 covers classification and measurement with current exposure drafts for impairment and hedge accounting. It is expected to have limited impact for investment funds.

The standard retains the guidance of IAS 39 with regards to recognition and initial measurement.

IFRS 9 simplifies the different categories of financial assets and liabilities under IAS 39 to either Fair Value (through Profit and Loss or Other Comprehensive Income) or Amortised cost. The characteristics of the financial asset or liability and the business model of the entity holding it determines the classification.

Amortised cost will only be applicable when the entity holds an instrument to collect contractual cash flows consisting solely of principal and interest payments on specified dates. Instruments that meet the amortised cost criteria can still be measured at fair value through profit and loss if it eliminates or significantly reduces accounting mismatches.

Equity will be at fair value through profit and loss unless an entity makes an irrevocable election to account for fair value movements through other comprehensive income. The election is only available to instruments not held for trading.

Financial liabilities not held for trading purposes will be measured at amortised unless certain criteria are met allowing them to be designated at fair value through profit and loss. Liabilities held for trading will be at fair value through profit and loss. If designated at fair value the movement in fair value attributable to changes in the entities own credit risk must be separately taken to other comprehensive income.

IFRS 9 significantly limits the use of cost as an approximation for fair value for equity instruments by removing the exemption under IAS 39 for unquoted equities whose fair value cannot be estimated reliably.

IFRS 13 – Fair Value Measurements

Effective date 1 January 2013, early adoption permitted.

IFRS 13 replaces the fair value measurement guidance spread throughout various IFRS's with a single source.

The standard defines fair value, establishes a framework for measurement and sets out disclosures requirements. The standard does not create any new requirements to measure assets and liabilities at fair value.

The fair value definition has been refined to be the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, i.e. an exit price.

The exit price term is the key concept. Fair values must only reflect considerations that would be taken in to account by market participants. This excludes costs incurred in the structure of any transaction and any characteristic of the asset or liability that is purely a function of the holding entity and will not transfer with the asset or liability. Common examples of entity specific characteristics are large market positions “blockage factors” or contractual limitations on use or sale between the entity and another party.

Non financial assets are covered by IFRS 13 and are measured at their highest and best use taking in to account all factors in which market participants would factor in to its highest and best use. If the asset is not being used in such a way this must be disclosed.

An entity shall use fair value measurements techniques that are appropriate to the circumstances, for which sufficient data is available and that maximises the use of observable inputs and minimises the use of unobservable inputs. If a level 1 input exists this must be used without adjustment except in very limited circumstances.

The disclosures requirements under IFRS 13 are primarily the fair value hierarchy disclosures currently effective within IFRS 7.

In a majority of circumstances it is expected that IFRS 13 will not result in significantly different fair value estimates to those obtained under currently effective standards. The application of the exit price concept may however affect some considerations in valuation models for unquoted equity investments.

The IASB has issued, and the European Union has adopted several standards, amendments to standards and interpretations that will be effective for the Company applicable from July 1, 2011 or after. The Company has not elected to early adopt these standards, amendments to existing standards or interpretations. A few of these standards would not be relevant for the Company and have not been disclosed.

Various Improvements to IFRSs have been dealt with on a standard-by-standard basis. All amendments, which result in accounting changes for presentation, recognition or measurement, will come into effect not earlier than July 1, 2011. The Company has not yet analysed the likely impact of the improvements on its financial position or performance.

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the financial statements of the Company.

3 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

Financial assets of the Company include investments in securities, cash and cash equivalents and accrued income. Financial liabilities are comprised of accrued charges. Accounting policies for financial assets and liabilities are set out in note 2.

The Company’s investment activities expose it to various types of risk that are associated with the financial instruments and the markets in which it invests. The most important types of financial risk to which the Company is exposed are market risk, currency risk, credit risk and liquidity risk.

Asset allocation is determined by the Company’s Investment Manager who manages the distribution of the assets to achieve the investment objectives. Divergence from target asset allocations and the composition of the portfolio is monitored by the Investment Manager.

Market risk

Market risk is the risk that the value of a financial asset will fluctuate as a result of changes in market prices, whether or not those changes are caused by factors specific to the individual asset or factors affecting all assets in the market. The Company is predominately exposed to market risk within its securities purchased on the Vietnamese market.

The overall market positions are monitored continuously by the Investment Manager and at least quarterly by the Board of Directors.

The Company's investments in securities are exposed to market risk and are disclosed by the following generic investment types:

	30.06.11		**30.06.10**	
Description	Fair value in USD	% of net assets	Fair value in USD	% of net assets
Shares and similar investments - listed	49,743,084	80.08%	59,413,368	75.63%
Shares and similar investments - unlisted	10,396,429	16.74%	16,607,618	21.14%
	60,139,513	96.82%	76,020,986	96.77%

At June 30, 2011 a 5% reduction in the market value of the portfolio would have lead to a reduction in net asset value of US$ 3,006,976 (2010: US$ 3,801,049). A 5% increase in market value would have lead to an equal and opposite effect.

Currency risk

The Company may invest in financial instruments and enter into transactions denominated in currencies other than its functional currency of US$. Consequently, the Company is exposed to risks that the exchange rate of its currency relative to other currencies may change and have an adverse effect on the value of the Company's assets or liabilities denominated in currencies other than US$.

The Company's net assets are calculated every month based on the most up to date exchange rates while the general economic and foreign currency environment is continuously monitored by the investment manager and reviewed by the VNH Board of Directors at least once per quarter.

The Company may enter into arrangements to hedge currency risks if such arrangements become desirable and practicable in the future in the interest of efficient portfolio management.

As at June 30, 2011 the Company had the following currency exposure:

Currency	Fair value 30.06.11 USD	Fair value 30.06.10 USD
Vietnamese Dong	60,958,283	75,678,961
Euro	1,141,235	740,323
	62,099,518	76,419,284

At June 30, 2011 a 5% reduction in the value of the Vietnamese Dong and Euro would have lead to a reduction in net asset value of US$ 3,047,914 (2010: US$ 3,783,948) and US$ 57,062

(2010: US$ 37,016), respectively. A 5% increase in value would have lead to an equal and opposite effect.

Credit risk

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

At June 30, 2011, the following financial assets were exposed to credit risk (including settlement risk): cash and cash equivalents, accrued dividend and other receivables. The total amount of financial assets exposed to credit risk amounted to US$ 62,645,310 (2010: US$ 79,086,298).

Substantially all of the assets of the Company are held by Credit Suisse. Bankruptcy or insolvency of the bank and custodian may cause the Company's rights with respect to cash and securities held by the bank and custodian to be delayed or limited. The Company monitors its risk by monitoring the credit quality and financial positions of the bank and custodian the Company uses.

Liquidity risk

The Company, a closed-end investment company, will invest in companies through listings on the Vietnam stock exchange or on other stock exchanges. There is no guarantee however that the Vietnam stock exchange will provide liquidity for the Company's investments in unlisted companies. The Company may have to resell such investments in privately negotiated transactions.

The Company's overall liquidity risks are monitored on at least a quarterly basis by the Board of Directors. The Company is a closed-end Investment Company so shareholders cannot redeem their shares directly from the Company.

Interest rate risk

The majority of the Company's financial assets are non-interest-bearing. Interest-bearing financial assets and interest-bearing financial liabilities mature or reprice in the short-term, no longer than twelve months. As a result, the Company is subject to limited exposure to interest rate risk due to fluctuations in the prevailing levels of market interest rates.

During the year ended June 30, 2011 interest rates ranged from 0.0% to 1.0% (2010: 0.0% to 1.0%)

The following table details the Company's exposure to interest rate risks (less than three months):

	Fair value 30.06.11 US$	Fair value 30.06.10 US$
Cash and cash equivalents	2,439,854	2,982,599

At June 30, 2011 a 1% reduction in interest rates would have decreased the net asset value by US$ 24,398 (2010: US$ 29,826). A 1% increase in value would have lead to an equal and opposite effect.

4 OPERATING SEGMENTS

Information on realised gains and losses derived from sales of investments are disclosed on the statement of comprehensive income.

The Company is domiciled in the Cayman Islands. Entity wide disclosures are necessary as the Company is engaged in a single segment of business, investing in Vietnam. In presenting information on the basis of geographical segments, segment investments and the corresponding segment net investment income arising thereon are determined based on the country of domicile of the respective investment entities.

All of the Company's investments in securities at fair value are domiciled in Vietnam as at June 30, 2011 and 2010. All of the Company's investment income can be attributed to Vietnam for the years ended June 30, 2011 and 2010.

5 SHARE CAPITAL

The ordinary shares have been created pursuant to the Companies Law in the Cayman Islands. The Company was incorporated with an authorised share capital of US$ 100,000,000 divided into 100,000,000 ordinary shares of US$ 1.00 each. The one ordinary share in issue was transferred to the Investment Manager on April 28, 2006 and purchased by the Company on June 15, 2006 for US$ 1.00 and was immediately cancelled.

On June 6, 2006, the Board resolved that 56,250,000 ordinary shares would be allotted at a placing price of US$ 2.00 per ordinary share at, but conditional upon, admission. The ordinary shares' ISIN number is KYG9361X1043.

On September 23, 2010, during its annual general meeting, shareholders approved a Share Repurchase Programme. Since November 2010, 343,138 shares were bought by the Company for cancellation. As a result, the Company now has 55,906,862 ordinary shares with voting rights in issue.

	Number of shares	Net asset value per share
Opening balance as at July 1, 2010	56,250,000	1.407
Closing balance as at June 30, 2011	55,906,862	1.122

The Company strives to invest the capital raised to meet the Company's investment objectives which are to achieve long term capital appreciation through a diversified portfolio of companies that have high potential in Vietnam. The Company achieves this aim by investing principally in securities of former State-owned Entities (**SOEs**) in Vietnam prior to, at or after such securities becoming listed on the Vietnam stock exchange.

The Company does not have any externally imposed capital requirements.

Redeemable shares

A puttable financial instrument that includes a contractual obligation for the Company to repurchase or redeem that instrument for cash or another financial asset is classified as equity if it meets all of the following conditions:

it entitles the holder to a pro rata share of the Company's net assets in the event of the Company's liquidation;

- it is in the class of instruments that is subordinate to all other classes of instruments;

- all financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;

- apart from the contractual obligation for the Company to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any other features that would require classification as a liability; and

- the total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Company over the life of the instrument.

The Company's redeemable shares meet these conditions and are classified as equity.

Incremental costs directly attributable to the issue or redemption of redeemable shares are recognised directly in equity as a deduction from the proceeds or part of the acquisition cost.

The Company's general intention is to reinvest the capital received on the sale of investments. However, the Board may from time to time and in its discretion, either use the proceeds of sales of investments to meet the Company's expenses or distribute them to shareholders. Alternatively, the Board may redeem ordinary shares with such proceeds for shareholders pro rata to their shareholding upon not less than 30 calendar days' notice to shareholders (subject always to applicable law) or repurchase ordinary shares at a price not exceeding the last published net asset value per share.

6 INTEREST INCOME

	30.06.11	**30.06.10**
	US$	US$
Interest income arising from financial assets that are not at fair value through profit or loss:		
Cash and cash equivalents	234	509
Total interest income recognised on financial assets	234	509

7 RELATED PARTY TRANSACTIONS

Investment Management fees

The Investment Manager is entitled to an investment management fee of 2% per annum on the monthly net assets under management. The fee is payable monthly in advance and is calculated by reference to the NAV at the end of the preceding month. In addition, the Investment Manager is reimbursed by the Company for administrative functions that it performs on behalf of the Company.

The Company will pay to the Investment Manager a performance bonus each year at the rate of 20% of the annual increase in net asset value over the higher of an annualised hurdle rate of 5% and a "high water mark" requirement.

The total fees accruing to the Investment Manager for the year to June 30, 2011 were US$ 1,449,229 (30.06.10: US$ 1,631,578) as a management fee and US$ 159,500 (30.06.2010: US$ 203,557) for administrative support. At June 30, 2011, US$ 50,800 due to the Investment Manager are included in accrued expenses (30.06.2010: US$ 66,700).

No performance fee was due as at June 30, 2011 nor at June 30, 2010.

Directors' fees and expenses

The Board will determine the fees payable to each Director, subject to a maximum aggregate amount of US$ 350,000 per annum being paid to the Board as a whole. The Company will also pay reasonable expensesincurred by the Directors in the conduct of the Company's business including travel and other expenses. The Company will pay for directors and officers liability insurance coverage.

The charges for the year for the Directors fees were US$ 153,500 (30.06.10: US$ 158,000) and expenses were US$ 122,587 (30.06.10: US$ 93,208).

Directors' ownership of shares

As at June 30, 2011, Min-Hwa Hu Kupfer held 20,000 (30.06.10: 20,000) ordinary shares of the Company representing 0.04% of the total shares outstanding.

8 CUSTODIAN FEES

The custodian fee is as follows:

The custodian received a fee of:	Assets held up to US$ 20 million:	0.26%
	Assets held from US$ 20 million to US$ 50 million:	0.19%
	Assets held above US$ 50 million:	0.16%.

The charges for the year for the Custodian fees were US$ 140,642 (30.06.10: US$ 134,056).

9 ADMINISTRATION AND ACCOUNTING FEES

The administrator received a fee of 0.1% per annum calculated on the basis of the net assets of the Company during the last half year, with the fee payable at the end of each half year, subject to an annual minimum amount of 100,000 US$ per annum.

The charges for the year for the Administration and Accounting fees were US$ 100,000 (30.06.10: US$ 100,000).

10 CONTROLLING PARTY

The Directors are not aware of any ultimate controlling party as at June 30, 2011 or June 30, 2010.

11 FAIR VALUE INFORMATION

For certain of the Company's financial instruments not carried at fair value, such as cash and cash equivalents, accrued dividends and other assets and creditors and accrued charges, the amounts approximate fair value due to the immediate or short term nature of these financial instruments.

Other financial instruments are measured at fair value on the statement of the net assets attributable to shareholders.

Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement and therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Fair value hierarchy

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges (for example, London Stock Exchange, Frankfurt Stock Exchange, New York Stock Exchange) and exchanges traded derivatives like futures (for example, Nasdaq, S&P 500).

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level includes the majority of the OTC derivative contracts, traded loans and issued structured debt. The sources of input parameters like LIBOR yield curve or counterparty credit risk are Bloomberg and Reuters.

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

The carrying amounts of financial assets at June 30, 2011 are as follows (all amounts in US$):

	Level 1	**Level 2**	**Level 3**	**Total**
As at June 30, 2011				
Financial assets designated at fair value upon initial recognition				
Equity Investments	49,743,084	-	10,396,429	60,139,513
	49,743,084	**-**	**10,396,429**	**60,139,513**

	Level 1	**Level 2**	**Level 3**	**Total**
As at June 30, 2010				
Financial assets designated at fair value upon initial recognition				
Equity Investments	59,413,368	-	16,607,618	76,020,986
	59,413,368	**-**	**16,607,618**	**76,020,986**

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Assessing whether an input is significant requires judgement including consideration of factors specific to the asset or liability. Moreover, if a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that fair value measurement is a Level 3 measurement.

Level 3 Reconciliation

	Financial assets designated at fair value through profit or loss
All amounts stated in US$	
June 30, 2011	
Opening balance	**16,607,618**
Sales	(4,548,218)
Total gains and losses recognised in profit or loss*	(1,662,971)
Closing balance	**10,396,429**

* Total gains or losses recognised in profit or loss for assets and liabilities held at the end of the reporting period, as presented in the statement of comprehensive income.

	Financial assets designated at fair value through profit or loss
All amounts stated in US$	
June 30, 2010	
Opening balance	**11,677,202**
Total gains and losses recognised in profit or loss*	6,196,381
Transfers out of Level 3**	(1,265,965)
Closing balance	**16,607,618**

* Total gains or losses recognised in profit or loss for assets and liabilities held at the end of the reporting period, as presented in the income statement.

** Transfers out of Level 3 occurred as a result of an unlisted equity investment becoming listed during the year.

12 EARNINGS PER SHARE

The calculation of earnings per share at June 30, 2011 was based on the change in net assets attributable to shareholders of US$ (15,968,552) (June 30, 2010: US$ 11,960,285) and the weighted average number of shares outstanding of 55,906,862 (June 30, 2010: 56,250,000).

Financial Statements for the year ended 30 June 2010 with Auditors Report thereon

To the Shareholders of
VietNam Holding Limited
c/o Card Corporate Services Ltd.,
Fourth Floor, Zephyr House,
122 Mary Street
PO Box 709 GT
Grand Cayman,
KY1-1107, Cayman Islands

INDEPENDENT AUDITOR'S REPORT

Report on the financial statements
We have audited the accompanying financial statements of VietNam Holding Limited, which comprise the balance sheet as at June 30, 2010 and the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

Board of Directors' responsibility for the financial statements
The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Responsibility of the Réviseur d'Entreprises agréé
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgement of the Réviseur d'Entreprises agréé, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the Réviseur d'Entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements give a true and fair view of the financial position of VietNam Holding Limited as of June 30, 2010, and of the results of its operations and changes in its net assets for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Other matter

Supplementary information included in the annual report has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the financial statements taken as a whole.

Luxembourg, August 16, 2010

KPMG Audit S.à r.l.
Cabinet de révision agréé

V. Chan Yin

	Notes	As at 30.06.10 US$	As at 30.06.09 US$
Assets			
Cash and cash equivalents		2,982,599	5,070,762
Investments in securities at fair value	3	76,020,986	61,851,629
Accrued dividends		82,713	46,509
Total assets		**79,086,298**	**66,968,900**
Equity (at bid-market prices)			
Share capital		112,500,000	112,500,000
Retained earnings		(33,940,002)	(45,900,287)
Total equity		**78,559,998**	**66,599,713**
Liabilities			
Accrued expenses		526,300	369,187
Total liabilities		**526,300**	**369,187**
Total equity and liabilities		**79,086,298**	**66,968,900**
Total equity represented by:			
- Net assets attributable to shareholders (last traded prices)		79,134,355	66,665,110
- Adjustment from last traded prices to bid - market prices		(574,357)	(65,397)

The net asset value per share based on last traded prices was US$ 1.407 as at June 30, 2010 (June 30, 2009: US$ 1.185) per the prospectus and the net asset value per share based on bid-market prices, per IFRS, was US$ 1.397 as at June 30, 2010 (June 30, 2009: US$ 1.184). This is based on 56,250,000 shares outstanding.

The financial statements on pages 80 to 97 were approved by the Board of Directors on August 16, 2010 and were signed on its behalf by

Min-Hwa Hu Kupfer

Chairperson of the Board of Directors

Nguyen Quoc Khanh

Chairman of the Audit Committee

The notes on pages 85 to 96 form an integral part of these financial statements.

	Notes	Year ended 30.06.10 US$	Year ended 30.06.09 US$
Income			
Interest income	6	509	82,052
Dividend income from equity securities designated at fair value through profit or loss		1,817,915	3,085,819
Realised loss on investments		(861,461)	(6,495,525)
Change in fair value of securities designated at fair value through profit or loss	2	14,498,355	3,820,731
Net foreign exchange loss	2	(372,638)	(137,957)
Net investment income		**15,082,680**	**355,120**
Expenses			
Investment Management fees	7	1,631,578	1,211,751
Advisory fees		124,562	116,538
Bank interest		1,896	-
Accounting fees	9	100,000	100,000
Custodian fees	8	132,160	129,056
Directors fees and expenses	7	251,208	320,704
Brokerage fees		13,237	13,711
Audit fees		61,753	50,022
Publicity and investor relations fees		375,013	161,271
Insurance fees		45,000	37,000
Administration expenses		203,557	151,047
Risk management expenses		144,696	120,230
Technical assistance for investee companies		37,735	(21,746)
Total operating expenses		**3,122,395**	**2,389,584**
Profit or loss for the year		**11,960,285**	**(2,034,464)**

Earnings per share – basic and diluted	12	0.21	(0.04)

The notes on pages 85 to 96 form an integral part of these financial statements.

	Share Capital	Retained Earnings	Total
Balance at July 1, 2008	112,500,000	(43,865,823)	68,634,177
Total comprehensive income for the year			
Profit or loss		(2,034,464)	(2,034,464)
Balance at June 30, 2009	112,500,000	(45,900,287)	66,599,713
Total comprehensive income for the year			
Profit or loss		11,960,285	11,960,285
Balance at June 30, 2010	112,500,000	(33,940,002)	78,559,998

The notes on pages 85 to 96 form an integral part of these financial statements.

	Year ended 30.06.10	Year ended 30.06.09
	US$	**US$**
Cash flows from operating activities		
Increase/(decrease) in net assets attributable to shareholders	11,960,285	(2,034,464)
Adjustments for:		
Interest income	(509)	(82,052)
Dividend income	(1,817,915)	(3,085,819)
Net realised loss on investments	861,461	6,495,525
Change in fair value of securities designated at fair value through profit or loss	(14,498,355)	(3,820,731)
Unrealised foreign currency (gain)/loss	(218,005)	119,133
	(3,713,038)	**(2,408,408)**
Net increase/(decrease) in other receivables and payables	120,909	(107,970)
Cash used in operations	**(3,592,129)**	**(2,516,378)**
Interest received	509	82,052
Dividends received	1,781,711	3,039,310
Net cash (used in)/from operating activities	**(1,809,909)**	**604,984**
Cash flows from investing activities		
Purchase of investments	(8,642,200)	(17,156,913)
Proceeds from sale of investments	8,145,941	7,412,130
Net cash (used in) investing activities	**(496,259)**	**(9,744,783)**
Net decrease in cash and cash equivalents	(2,306,168)	(9,139,799)
Cash and cash equivalents at the beginning of the year	**5,070,762**	**14,329,694**
Effect of exchange rate fluctuations on cash held	218,005	(119,133)

Cash and cash equivalents at the end of the year	**2,982,599**	**5,070,762**

The notes on pages 85 to 96 form an integral part of these financial statements.

1 THE COMPANY

VietNam Holding Limited (**VNH** or the **Company**) is a closed-end investment holding company incorporated on April 20, 2006 as an exempt company under the Companies Law in the Cayman Islands and commenced its operations on June 15, 2006, to invest principally in securities of former State-owned Entities (**SOEs**) in Vietnam, prior to, at or after the time such securities become listed on the Vietnam stock exchange, including the initial privatisation of the SOEs. The Company may also invest in the securities of private companies in Vietnam, whether Vietnamese or foreign owned, and the securities of foreign companies if a significant portion of their assets are held or operations are in Vietnam.

The investment objective of the Company is to achieve long-term capital appreciation by investing in a diversified portfolio of companies that have high growth potential at an attractive valuation.

Vietnam Holding Asset Management Limited (VNHAM) has been appointed as the Company's Investment Manager and is responsible for the day-to-day management of the Company's investment portfolio in accordance with the Company's investment policies, objectives and restrictions.

Credit Suisse Zürich has been appointed to act as custodian of the Company's assets (as can be legally held outside of Vietnam). Vietnamese law requires that the Company's shares in listed companies must be held by a custodian registered as such in Vietnam and these assets will therefore be held by the Vietnam sub-custodian. HSBC (Vietnam) has been appointed to act as sub-custodian. Credit Suisse Asset Management Fund Service (Luxembourg) S.A. has been appointed to act as the administrator of the Company.

The registered office of the Company is CARD Corporate Services Ltd., Fourth Floor, Zephyr House, 122 Mary Street, PO Box 709 GT, Grand Cayman, KY1-1107, Cayman Islands.

2 PRINCIPAL ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and interpretations adopted by the International Accounting Standards Board and the European Union.

(b) Basis of preparation

The financial statements are presented in US$ and rounded to the nearest US$. They are prepared on a fair value basis for financial assets and financial liabilities at fair value through the profit or loss account. Other financial assets and liabilities are stated at amortised cost.

The shares were issued in US$ and the listings of the shares are in US$ and Euro. The performance of the Company is measured and reported to the investors in US$, although the primary activity of the Company is to invest in the Vietnamese market. The Board of Directors considers the US$ as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in US$, which is the Company's functional and presentation currency.

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimated and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

The Company has adopted IFRS 8 "Operating Segments" as of January 1, 2009. The new standard requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes.

The Board has considered the requirements of IFRS 8 "Operating Segments" and is of the view that the Company is engaged in a single segment of business, being investment in Vietnam. The Board, as a whole, has been determined as constituting the chief operating decision maker of the Company. The key measure of performance used by the Board to assess the Company's performance and to allocate resources is the total return on the Company's net asset value, as calculated under IFRS as adopted by the European Union and as per the prospectus, and therefore no reconciliation is required between the measure of profit or loss used by the Board and that contained in these financial statements.

(c) **Foreign currency translation**

Transactions in foreign currencies other than the functional currency are translated at the rate ruling on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated to US$ at the rates ruling on the year-end date. Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are included in the statement of comprehensive income. Foreign currency exchange differences relating to financial instruments held-for-trading are included in the realised and unrealised gains and losses on those investments. All other foreign currency exchange differences relating to other monetary items, including cash and cash equivalents, are included in net foreign exchange gains and losses in the statement of comprehensive income.

(d) **Financial instruments**

(i) Classification

The Company designated all its investments as financial assets at fair value through profit or loss category.

Financial instruments designated at fair value through profit or loss upon initial recognition. These include financial assets that are not held for trading purposes and which may be sold. These are investments in exchange-traded equity instruments and unlisted equity instruments.

Financial assets that are classified as loans and receivables include accrued dividends.

Cash and cash equivalents are valued at amortised cost.

Financial liabilities that are not at fair value through profit or loss include accrued expenses.

(ii) Recognition

The Company recognises financial assets held for trading on the trade date, being the date it commits to purchase the instruments. From this date, any gains and losses arising from changes in fair value of the assets or liabilities are recorded.

Financial liabilities are not recognised unless one of the parties has performed its obligation.

(iii) Derecognition

A financial asset is derecognised when the Company no longer has control over the contractual rights that comprise that asset. This occurs when the rights are realised, expire or are surrendered.

Financial assets that are sold are derecognised, and corresponding receivables from the buyer for the payment are recognised on the trade date, being the date the Company commits to sell the assets.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

The weighted average method is used to determine realised gains and losses on derecognition.

(iv) Measurement

Financial instruments are measured initially at cost. For financial assets acquired, cost is the fair value of consideration given. Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately.

Valuation

Investments are recorded at fair value. The fair value of the securities is based on their quoted bid price at the balance sheet date without any deduction for transaction costs.

If the securities are not listed, the value of the relevant securities is ascertained by the Board of Directors in good faith using valuation methods which it considers fair in the circumstances including quotes received from brokers and other third party sources where possible.

As at June 30, 2010, 21% (June 30, 2009: 17%) of the net assets of the Company was based on quotes obtained from brokers.

Any increases or decreases in values are recognised in the statement of comprehensive income as an unrealised gain or loss.

(v) Gains and losses on subsequent measurement

Gains and losses arising from a change in the fair value of financial instruments are recognised in the statement of comprehensive income.

(vi) Impairment

Financial assets that are stated at cost or amortised cost are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, an impairment loss is recognised in the statement of comprehensive income as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

If in a subsequent period the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through the statement of comprehensive income.

(vii) Specific instruments

Cash and cash equivalents

Cash comprises current deposits with banks and fixed deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(e) **Interest income and expense**

Interest income and expense is recognised in the statement of comprehensive income using the effective rate method.

Interest income includes the amortisation of any discount or premium on zero coupon bonds, which is taken as income on the basis of yield to redemption, from the date of purchase.

(f) **Formation expenses**

Costs attributable to the establishment of the Company have been expensed in full.

(g) **Offsetting**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Company has a legally enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis or simultaneously, e.g. through a market clearing mechanism.

(h) **Amounts due to/from brokers**

Amounts due to/from brokers represent security purchases and sales transactions which are contracted for but not yet delivered at the end of the accounting period.

(i) **Taxation**

At present, no income, profit, capital, or capital gain taxes are levied in the Cayman Islands, and accordingly, no provision for such taxes has been recorded by the Company in the accompanying financial statements.

In the event that such taxes are levied, the Company has received an undertaking from the Governor in Cabinet of the Cayman Islands exempting it from all such taxes for a period of twenty years from May 2, 2006.

(j) **Adoption of new and revised standards**

Adoption of new standards and amendments to existing standards

In addition to the adoption of IFRS 8, in November 2009, the European Union adopted IFRS 7 *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*, which became applicable from January 1, 2009. The Company has adopted these amendments in these financial statements.

The amendments require disclosures relating to fair value measurements using a three-level hierarchy that reflects the significance of inputs used in measuring fair values and contains the following three levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The amendments also revise the minimum disclosures on liquidity risk including an analysis of remaining contractual maturities for non derivative financial liabilities, and a maturity analysis for derivative financial liabilities for which those contractual maturities that are essential for an understanding of the timing of cash flows. The amendments also require disclosure of how liquidity risk inherent in these items is managed.

Comparative information has not been presented nor restated as permitted by the transition section of the amendment.

The IASB has issued, and the European Union has adopted several standards, amendments to standards and interpretations that will be effective for the Company applicable from January 1, 2010 or after. The Company has not elected to adopt these standards, amendments to existing standards or interpretations.

Various Improvements to IFRSs have been dealt with on a standard-by-standard basis. All amendments, which result in accounting changes for presentation, recognition or measurement, will come into effect not earlier than January 1, 2010. The Company has not yet analysed the likely impact of the improvements on its financial position or performance.

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the financial statements of the Company.

3 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

Financial assets of the Company include investments in securities, cash and cash equivalents and accrued income. Financial liabilities are comprised of accrued charges. Accounting policies for financial assets and liabilities are set out in note 2.

The Company's investment activities expose it to various types of risk that are associated with the financial instruments and the markets in which it invests. The most important types of financial risk to which the Company is exposed are market risk, currency risk, credit risk and liquidity risk.

Asset allocation is determined by the Company's Investment Manager who manages the distribution of the assets to achieve the investment objectives. Divergence from target asset allocations and the composition of the portfolio is monitored by the Investment Manager.

Market risk

Market risk is the risk that the value of a financial asset will fluctuate as a result of changes in market prices, whether or not those changes are caused by factors specific to the individual asset or factors affecting all assets in the market. The Company is predominately exposed to market risk within its securities purchased on the Vietnamese market.

The overall market positions are monitored continuously by the Investment Manager and at least quarterly by the Board of Directors.

The Company's investments in securities are exposed to market risk and are disclosed by the following generic investment types:

	30.06.10		30.06.09	
Description	Fair value in US$	% of net assets	Fair value in US$	% of net assets
Shares and similar investments - listed	59,413,368	75.63%	50,174,427	75.34%
Shares and similar investments - unlisted	16,607,618	21.14%	11,677,202	17.53%
	76,020,986	96.77%	61,851,629	92.87%

At June 30, 2010 a 5% reduction in the market value of the portfolio would have lead to a reduction in net asset value of US$ 3,801,049 (2009: US$ 3,092,581). A 5% increase in market value would have lead to an equal and opposite effect.

Currency risk

The Company may invest in financial instruments and enter into transactions denominated in currencies other than its functional currency of US$. Consequently, the Company is exposed to risks that the exchange rate of its currency relative to other currencies may change and have an adverse effect on the value of the Company's assets or liabilities denominated in currencies other than US$.

The Company's net assets are calculated every month based on the most up to date exchange rates while the general economic and foreign currency environment is continuously monitored by the investment manager and reviewed by the VNH Board of Directors at least once per quarter.

The Company may enter into arrangements to hedge currency risks if such arrangements become desirable and practicable in the future in the interest of efficient portfolio management.

As at June 30, 2010 the Company had the following currency exposure:

Currency	Fair value 30.06.10 US$	Fair value 30.06.09 US$
Vietnamese Dong	75,678,961	62,269,190
Euro	740,323	1,686,427
	76,419,284	63,955,617

At June 30, 2010 a 5% reduction in the value of the Vietnamese Dong and Euro would have lead to a reduction in net asset value of US$ 3,783,948 (2009: US$ 3,113,460) and US$ 37,016 (2009: US$ 84,321), respectively. A 5% increase in value would have lead to an equal and opposite effect.

Credit risk

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

At June 30, 2010, the following financial assets were exposed to credit risk (including settlement risk): cash and cash equivalents, accrued dividend and other receivables. The total amount of financial assets exposed to credit risk amounted to US$ 79,086,298 (30.06.09: US$ 66,968,900).

Substantially all of the assets of the Company are held by Credit Suisse. Bankruptcy or insolvency of the bank and custodian may cause the Company's rights with respect to cash and securities held by the bank and custodian to be delayed or limited. The Company monitors its risk by monitoring the credit quality and financial positions of the bank and custodian the Company uses.

Liquidity risk

The Company, a closed-end investment company, will invest in companies through listings on the Vietnam stock exchange or on other stock exchanges. There is no guarantee however that the Vietnam stock exchange will provide liquidity for the Company's investments in unlisted companies. The Company may have to resell such investments in privately negotiated transactions.

The Company's overall liquidity risks are monitored on at least a quarterly basis by the Board of Directors. The Company is a closed-end Investment Company so shareholders cannot redeem their shares directly from the Company.

Interest rate risk

The majority of the Company's financial assets are non-interest-bearing. Interest-bearing financial assets and interest-bearing financial liabilities mature or reprice in the short-term, no longer than twelve months. As a result, the Company is subject to limited exposure to interest rate risk due to fluctuations in the prevailing levels of market interest rates.

During the year ended June 30, 2010 interest rates ranged from 0.0% to 1.0% (June 30, 2009: 0.0% to 1.0%)

The following table details the Company's exposure to interest rate risks (less than three months):

	Fair value 30.06.10 US$	Fair value 30.06.09 US$
Cash and cash equivalents	2,982,599	5,070,762

At June 30, 2010 a 1% reduction in interest rates would have decreased the net asset value by US$ 29,826. A 1% increase in value would have lead to an equal and opposite effect.

4 OPERATING SEGMENTS

Information on realised gains and losses derived from sales of investments are disclosed on the statement of comprehensive income.

The Company is domiciled in the Cayman Islands. Entity wide disclosures are necessary as the Company is engaged in a single segment of business, investing in Vietnam. In presenting information on the basis of geographical segments, segment investments and the corresponding segment net investment income arising thereon are determined based on the country of domicile of the respective investment entities.

All of the Company's investments in securities at fair value are domiciled in Vietnam as at June 30, 2010 and 2009. All of the Company's investment income can be attributed to Vietnam for the years ended June 30, 2010 and 2009.

5 SHARE CAPITAL

The ordinary shares have been created pursuant to the Companies Law in the Cayman Islands. The Company was incorporated with an authorised share capital of US$ 100,000,000 divided into 100,000,000 ordinary shares of US$ 1.00 each. The one ordinary share in issue was transferred to the Investment Manager on April 28, 2006 and purchased by the Company on June 15, 2006 for US$ 1.00 and was immediately cancelled.

On June 6, 2006, the Board resolved that 56,250,000 ordinary shares would be allotted at a placing price of US$ 2.00 per ordinary share at, but conditional upon, admission. The ordinary shares' ISIN number is KYG9361X1043. No shares have been issued or redeemed since June 6, 2006.

The Company strives to invest the capital raised to meet the Company's investment objectives which are to achieve long term capital appreciation through a diversified portfolio of companies that have high potential in Vietnam. The Company achieves this aim by investing principally in securities of former State-owned Entities (**SOEs**) in Vietnam prior to, at or after such securities becoming listed on the Vietnam stock exchange.

The Company does not have any externally imposed capital requirements.

Redeemable shares

A puttable financial instrument that includes a contractual obligation for the Company to repurchase or redeem that instrument for cash or another financial asset is classified as equity if it meets all of the following conditions:

- it entitles the holder to a pro rata share of the Company's net assets in the event of the Company's liquidation;
- it is in the class of instruments that is subordinate to all other classes of instruments;
- all financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;
- apart from the contractual obligation for the Company to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any other features that would require classification as a liability; and
- the total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Company over the life of the instrument.

The Company's redeemable shares meet these conditions and are classified as equity.

Incremental costs directly attributable to the issue or redemption of redeemable shares are recognised directly in equity as a deduction from the proceeds or part of the acquisition cost.

The Company's general intention is to reinvest the capital received on the sale of investments. However, the Board may from time to time and in its discretion, either use the proceeds of sales of investments to meet the Company's expenses or distribute them to shareholders. Alternatively, the Board may redeem ordinary shares with such proceeds for shareholders pro rata to their shareholding upon not less than 30 calendar days' notice to shareholders (subject always to applicable law) or repurchase ordinary shares at a price not exceeding the last published net asset value per share.

6 INTEREST INCOME

	30.06.10	**30.06.09**
	US$	US$
Interest income arising from financial assets that are not at fair value through profit or loss:		
Cash and cash equivalents	509	82,052
Total interest income recognised on financial assets	509	82,052

7 RELATED PARTY TRANSACTIONS

Investment Management fees

The Investment Manager is entitled to an investment management fee of 2% per annum on the monthly net assets under management. The fee is payable monthly in advance and is calculated by reference to the NAV at the end of the preceding month. In addition, the Investment Manager is reimbursed by the Company for administrative functions that it performs on behalf of the Company.

The Company will pay to the Investment Manager a performance bonus each year at the rate of 20% of the annual increase in net asset value over the higher of an annualised hurdle rate of 5% and a "high water mark" requirement.

The total fees accruing to the Investment Manager for the year to June 30, 2010 were US$ 1,631,578 (30.06.09: US$ 1,211,751) as a management fee and US$ 203,557 (30.06.2009: US$ 151,047) for administrative support. At June 30, 2010, US$ 66,700 due to the Investment Manager are included in accrued expenses (30.06.2009: US$ 50,313).

No performance fee was due as at June 30, 2010 nor at June 30, 2009.

Directors' fees and expenses

The Board will determine the fees payable to each Director, subject to a maximum aggregate amount of US$ 350,000 per annum being paid to the Board as a whole. The Company will also pay reasonable expensesincurred by the Directors in the conduct of the Company's business including travel and other expenses. The Company will pay for directors and officers liability insurance coverage.

The charges for the year for the Directors fees were US$ 158,000 (30.06.09: US$ 203,000) and expenses were US$ 93,208 (30.06.09: US$ 117,704).

Directors' ownership of shares

As at June 30, 2010, Min-Hwa Hu Kupfer held 20,000 (30.06.09: 20,000) ordinary shares of the Company representing 0.04% of the total shares outstanding.

(John J. Hoey, who resigned during the year ended June 30, 2009, held 100,000 ordinary shares representing 0.18% of the Company as at June 30, 2008.)

8 CUSTODIAN FEES

The custodian fee is as follows:

The custodian received a fee of:	Assets held up to US$ 20 million:	0.26%
	Assets held from US$ 20 million to US$ 50 million:	0.19%
	Assets held above US$ 50 million:	0.16%.

The charges for the year for the Custodian fees were US$ 132,160 (30.06.09: US$ 129,056).

9 ADMINISTRATION AND ACCOUNTING FEES

The administrator received a fee of 0.1% per annum calculated on the basis of the net assets of the Company during the last half year, with the fee payable at the end of each half year, subject to an annual minimum amount of 100,000 US$ per annum.

The charges for the year for the Administration and Accounting fees were US$ 100,000 (30.06.09: US$ 100,000).

10 CONTROLLING PARTY

The Directors are not aware of any ultimate controlling party as at June 30, 2010 or June 30, 2009.

11 FAIR VALUE INFORMATION

For certain of the Company's financial instruments not carried at fair value, such as cash and cash equivalents, accrued dividends and other assets and creditors and accrued charges, the amounts approximate fair value due to the immediate or short term nature of these financial instruments.

Other financial instruments are measured at fair value on the statement of the net assets attributable to shareholders.

Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement and therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Fair value hierarchy

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges (for example, London Stock Exchange, Frankfurt Stock Exchange, New York Stock Exchange) and exchanges traded derivatives like futures (for example, Nasdaq, S&P 500).

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level includes the majority of the OTC derivative contracts, traded loans and issued structured debt.

The sources of input parameters like LIBOR yield curve or counterparty credit risk are Bloomberg and Reuters.

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

The carrying amounts of financial assets at June 30, 2010 are as follows (all amounts in US$):

	Level 1	**Level 2**	**Level 3**	**Total**
As at June 30, 2010	US$	US$	US$	US$
Financial assets designated at fair value upon initial recognition				
Equity Investments	59,413,368	-	16,607,618	76,020,986
	59,413,368	**-**	**16,607,618**	**76,020,986**

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Assessing whether an input is significant requires judgement including consideration of factors specific to the asset or liability. Moreover, if a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that fair value measurement is a Level 3 measurement.

Level 3 Reconciliation

	Financial assets designated at fair value through profit or loss
All amounts stated in US$	
June 30, 2010	
Opening balance	**11,677,202**
Total gains and losses recognised in profit or loss*	6,196,381
Transfers out of Level 3**	(1,265,965)
Closing balance	**16,607,618**

* Total gains or losses recognised in profit or loss for assets and liabilities held at the end of the reporting period, as presented in the statement of comprehensive income.

** Transfers out of Level 3 occurred as a result of an unlisted equity investment becoming listed during the year.

12 EARNINGS PER SHARE

The calculation of earnings per share at June 30, 2010 was based on the change in net assets attributable to shareholders of US$ 11,960,285 (June 30, 2009: US$ (2,034,464)) and the weighted average number of shares outstanding of 56,250,000 (June 30, 2009: 56,250,000).

Independent Auditor's Report

KPMG

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To the Shareholders of
VietNam Holding Limited
c/o Card Corporate Services Ltd.,
Fourth Floor, Zephyr House,
122 Mary Street
PO Box 709 GT
Grand Cayman,
KY1-1107, Cayman Islands

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of VietNam Holding Limited (the "Company"), which comprise the balance sheet as at June 30, 2009 and the income statement, statement of changes in net assets attributable to shareholders and the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Board of Directors' responsibility for the financial statements
The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Responsibility of the Independent Auditor
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted by the Institut des Réviseurs d'Entreprises. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgement of the auditor, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of June 30, 2009, and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other matter

Supplementary information included in the annual report has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the financial statements taken as a whole.

Luxembourg, August 28, 2009

KPMG Audit S.à r.l.
Réviseurs d'Entreprises

Victor Chan Yin

	Notes	As at 30.06.09 US$	As at 30.06.08 US$
Assets			
Cash and cash equivalents	2	5,070,762	14,329,694
Investments in securities at fair value	2,3	61,851,629	54,735,131
Accrued dividends		46,509	-
Other assets		-	105,000
Total assets		**66,968,900**	**69,169,825**
Liabilities			
Accrued expenses		369,187	535,648
Total liabilities		**369,187**	**535,648**
Equity			
Net assets attributable to shareholders (bid-market prices)		**66,599,713**	**68,634,177**
Represented by:			
- Net assets attributable to shareholders (last traded prices)		66,665,110	69,231,745
- Adjustment from last traded prices to bid - market prices		(65,397)	(597,568)

The net asset value per share based on last traded prices was US$ 1.185 as at June 30, 2009 (June 30, 2008: US$ 1.231) per the prospectus and the net asset value per share based on bid-market prices, per IFRS, was US$ 1.184 as at June 30, 2009 (June 30, 2008: US$ 1.220). This is based on 56,250,000 shares outstanding.

The financial statements on pages 100 to 115 were approved by the Board of Directors on August 20, 2009 and were signed on its behalf by

Min-Hwa Hu Kupfer

Chairperson of the Board of Directors

Nguyen Quoc Khanh

Chairman of the Audit Committee

The notes on pages 106 to 115 form an integral part of these financial statements.

	Notes	Year ended 30.06.09 US$	Year ended 30.06.08 US$
Income			
Interest income	5	82,052	1,444,311
Dividend income from equity securities designated at fair value through profit or loss		3,085,819	1,424,548
Realised (loss)/gain on investments		(6,495,525)	678,821
Net foreign exchange loss	2	(137,957)	(177,391)
Movement in unrealised gain/(loss) on investments	2	3,820,731	(54,946,791)
Net investment income		**355,120**	**(51,576,502)**
Expenses			
Investment Management fees	6	1,211,751	2,349,957
Advisory fees		116,538	122,804
Accounting fees	8	100,000	110,626
Custodian fees	7	129,056	198,184
Director fees and expenses	6	320,704	488,208
Brokerage fees		13,711	15,284
Audit fees		50,022	89,730
Publicity and investor relations fees		161,271	413,766
Insurance fees		37,000	42,500
Administration expenses		151,047	191,080
Risk management expenses		120,230	357,349
Technical assistance for investee companies		(21,746)	166,160
Total operating expenses		**2,389,584**	**4,545,648**
Change in net assets attributable to shareholders		**(2,034,464)**	**(56,122,150)**

Earnings per share – basic and diluted	11	(0.04)	(1.00)

The notes on pages 106 to 115 form an integral part of these financial statements.

	Notes	Year ended 30.06.09 US$	Year ended 30.06.08 US$
Net assets at the beginning of the year		68,634,177	124,756,327
Change in net assets attributable to shareholders as a result of operations		(2,034,464)	(56,122,150)
Issue of shares during the period	4	-	-
Net assets at the end of the year		**66,599,713**	**68,634,177**

The notes on pages 106 to 115 form an integral part of these financial statements.

	Year ended 30.06.09	Year ended 30.06.08
	US$	US$
Cash flows from operating activities		
Decrease in net assets attributable to shareholders	(2,034,464)	(56,122,150)
Adjustments for:		
Interest income	(82,052)	(1,444,311)
Dividend income	(3,085,819)	(1,424,548)
Net realised gain on investments	6,495,525	(678,821)
Net unrealised (gain)/loss on debt and equity instruments	(3,820,731)	54,946,791
Unrealised foreign currency loss	119,133	153,679
	(2,408,408)	**(4,569,360)**
Net increase in amounts due from brokers	-	299,766
Net (decrease)/increase in other receivables and payables	(107,970)	3,136,536
Cash used in operations	**(2,516,378)**	**(1,133,058)**
Interest received	82,052	1,444,311
Dividends received	3,039,310	1,424,548
Net cash used in operating activities	**604,984**	**1,735,801**
Cash flows from investing activities		
Purchase of investments	(17,156,913)	(80,108,575)
Proceeds from sale of investments	7,412,130	41,459,431
Net cash from investing activities	**(9,744,783)**	**(38,649,144)**
Net decrease in cash and cash equivalents	(9,139,799)	(36,913,343)
Cash and cash equivalents at the beginning of the year	**14,329,694**	**51,396,716**
Effect of exchange rate fluctuations on cash held	(119,133)	(153,679)
Cash and cash equivalents at the end of the year	**5,070,762**	**14,329,694**

The notes on pages 106 to 115 form an integral part of these financial statements.

1 THE COMPANY

VietNam Holding Limited (**VNH** or the **Company**) is a closed-end investment holding company incorporated on April 20, 2006 as an exempt company under the Companies Law in the Cayman Islands and commenced its operations on June 15, 2006, to invest principally in securities of former State-owned Entities (**SOEs**) in Vietnam, prior to, at or after the time such securities become listed on the Vietnam stock exchange, including the initial privatisation of the SOEs. The Company may also invest in the securities of private companies in Vietnam, whether Vietnamese or foreign owned, and the securities of foreign companies if a significant portion of their assets are held or operations are in Vietnam.

The investment objective of the Company is to achieve long-term capital appreciation by investing in a diversified portfolio of companies that have high growth potential at an attractive valuation.

Vietnam Holding Asset Management Limited (**VNHAM**) has been appointed as the Company's Investment Manager and is responsible for the day-to-day management of the Company's investment portfolio in accordance with the Company's investment policies, objectives and restrictions.

Credit Suisse Zürich has been appointed to act as custodian of the Company's assets (as can be legally held outside of Vietnam). Vietnamese law requires that the Company's shares in listed companies must be held by a custodian registered as such in Vietnam and these assets will therefore be held by the Vietnam sub-custodian. HSBC (Vietnam) has been appointed to act as sub-custodian. Credit Suisse Asset Management Fund Service (Luxembourg) S.A. has been appointed to act as the administrator of the Company.

The registered office of the Company is CARD Corporate Services Ltd., Fourth Floor, Zephyr House, 122 Mary Street, PO Box 709 GT, Grand Cayman, KY1-1107, Cayman Islands.

2 PRINCIPAL ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board.

(b) Basis of preparation

The financial statements are presented in US$ and rounded to the nearest US$. They are prepared on a fair value basis for financial assets and financial liabilities at fair value through the profit or loss account. Other financial assets and liabilities are stated at amortised cost.

The shares were issued in US$ and the listings of the shares are in US$ and Euro. The performance of the Company is measured and reported to the investors in US$, although the primary activity of the Company is to invest in the Vietnamese market. The Board of Directors considers the US$ as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in US$, which is the Company's functional and presentation currency.

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimated and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Company is organised and operates as one segment. Consequently, no segment reporting is provided in the Company's financial statements.

(c) **Foreign currency translation**

Transactions in foreign currencies other than the functional currency are translated at the rate ruling on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated to US$ at the rates ruling on the year-end date. Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are included in the income statement. Foreign currency exchange differences relating to financial instruments held-for-trading are included in the realised and unrealised gains and losses on those investments. All other foreign currency exchange differences relating to other monetary items, including cash and cash equivalents, are included in net foreign exchange gains and losses in the income statement.

(d) **Financial instruments**

(i) Classification

The category of financial assets and financial liabilities at fair value through profit and loss comprises:

Financial instruments held-for-trading. These include forward contracts, options and liabilities from short sales of financial instruments. All derivatives in a net receivable position (positive fair value), as well as options purchased, are reported as financial assets held-for-trading. All derivatives in a net payable position (negative fair value), as well as options written, are reported as financial liabilities held-for-trading.

The Company designated all its investments as financial assets at fair value through profit and loss category.

Financial instruments designated at fair value through profit or loss upon initial recognition. These include financial assets that are not held for trading purposes and which may be sold. These are investments in exchange-traded debt and equity instruments, unlisted offshore open-ended investments funds, unlisted equity instruments and commercial paper.

Financial assets that are classified as loans and receivables include balances due from brokers and accounts receivable.

Cash and cash equivalents are valued at amortised cost.

Financial liabilities that are not at fair value through profit or loss include balances due to brokers, accounts payable and financial liabilities arising on redeemable shares.

(ii) Recognition

The Company recognises financial assets held for trading on the trade date, being the date it commits to purchase the instruments. From this date, any gains and losses arising from changes in fair value of the assets or liabilities are recorded.

Financial liabilities are not recognised unless one of the parties has performed.

(iii) Derecognition

A financial asset is derecognised when the Company no longer has control over the contractual rights that comprise that asset. This occurs when the rights are realised, expire or are surrendered.

Assets held-for-trading that are sold are derecognised, and corresponding receivables from the buyer for the payment are recognised on the trade date, being the date the Company commits to sell the assets.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

The weighted average method is used to determine realised gains and losses on derecognition.

(iv) Measurement

Financial instruments are measured initially at cost. For financial assets acquired, cost is the fair value of consideration given. Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately.

Valuation

Marketable securities are recorded at fair value. The fair value of the securities is based on their quoted bid price at the balance sheet date without any deduction for transaction costs.

If quoted market prices are unavailable or do not, in the opinion of the Board of Directors, represent probable realisable values, or if the securities are not listed, the value of the relevant securities is ascertained by the Board of Directors in good faith using valuation methods which it considers fair in the circumstances including quotes received from brokers and other third party sources where possible.

As at June 30, 2009, 17% (June 30, 2008: 29%) of the net assets of the Company was based on quotes obtained from brokers.

Any increases or decreases in values are recognised in the Income statement as an unrealised gain or loss.

(v) Gains and losses on subsequent measurement

(e) Gains and losses arising from a change in the fair value of financial instruments are recognised in the income statement.

(vi) Impairment

(f) Financial assets that are stated at cost or amortised cost are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, an impairment loss is recognised in the income statement as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

(g) If in a subsequent period the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through the income statement.

(vii) Specific instruments

Cash and cash equivalents

Cash comprises current deposits with banks and fixed deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Forward foreign exchange contracts

Forward foreign exchange contracts are stated at market value, with the resulting net realised and unrealised gains and losses reflected in the income statement.

(h) **Interest income and expense**

Interest income and expense is recognised in the income statement on an accruals basis.

Interest income includes the amortisation of any discount or premium on zero coupon bonds, which is taken as income on the basis of yield to redemption, from the date of purchase.

(i) **Formation expenses**

Costs attributable to the establishment of the Company have been expensed in full.

(j) **Offsetting**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Company has a legally enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis or simultaneously, e.g. through a market clearing mechanism.

(k) **Amounts due to/from brokers**

Amounts due to/from brokers represent security purchases and sales transactions which are contracted for but not yet delivered at the end of the accounting period.

(l) **Taxation**

At present, no income, profit, capital, or capital gain taxes are levied in the Cayman Islands, and accordingly, no provision for such taxes has been recorded by the Company in the accompanying financial statements.

In the event that such taxes are levied, the Company has received an undertaking from the Governor in Cabinet of the Cayman Islands exempting it from all such taxes for a period of twenty years from May 2, 2006.

(m) **Adoption of new and revised standards**

The IASB has issued several standards, amendments to standards and interpretations that will be effective for the Company as from 1 January 2009 or after. The Company has not elected to adopt these standards, amendments to existing standards or interpretations.

IFRS 2 Share-based payment – Vesting Conditions and Cancellations. Amendments to IFRS 2 are required to be applied from 1 January 2009. These amendments clarify the definition of vesting conditions, introduce the concept of non-vesting conditions, require non-vesting conditions to be reflected in grant-date fair value and provide the accounting treatment for non-vesting conditions and cancellations.

IFRS 8 Operating Segments replaces IAS 14 Segment Reporting. IFRS 8 is required to be applied from 1 January 2009. This IFRS sets out requirements for disclosure of information about an entity's operating segments and also about the entity's products and services, the geographical areas in which they operate, and its major customers. IFRS 8 will require additional disclosures on these items.

IAS 1 Presentation of Financial Statements (as revised in 2007) supersedes IAS 1 Presentation of Financial Statements (as revised in 2003 and amended in 2005). The revised IAS 1 introduces new terminology throughout IFRSs and is required to be applied from 1 January 2009, but earlier application is permitted. The IFRS is aimed at improving users ability to analyse and compare the information given in financial statements. IAS 1 (Revised) will affect the presentation of owner changes in equity and of comprehensive income.

IAS 23 Borrowing Costs (as revised in 2007) supersedes IAS 23 Borrowing Costs (issued in 1993). The revised IAS 23 is required to be applied from 1 January 2009, but earlier application is permitted. It requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed.

Amendments to IAS 32 and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation. Amendments to IAS 32 and IAS 31 are required to be applied from 1 January 2009. These amendments to the standards require that some puttable financial instruments and some financial 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 to be classified as equity.

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the financial statements of the Company.

Various *Improvements to IFRSs* have been dealt with on a standard-by-standard basis. All amendments, which result in accounting changes for presentation, recognition or measurement purpose, will come into effect not earlier than 1 January 2009. The Company has not yet analysed the likely impact of the improvements on its financial position or performance.

3 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

Financial assets of the Company include investments in securities, cash and cash equivalents and accrued income. Financial liabilities are comprised of accrued charges. Accounting policies for financial assets and liabilities are set out in note 2.

The Company's investment activities expose it to various types of risk that are associated with the financial instruments and the markets in which it invests. The most important types of financial risk to which the Company is exposed are market risk, currency risk, credit risk and liquidity risk.

Asset allocation is determined by the Company's Investment Manager who manages the distribution of the assets to achieve the investment objectives. Divergence from target asset allocations and the composition of the portfolio is monitored by the Investment Manager.

Market risk

Market risk is the risk that the value of a financial asset will fluctuate as a result of changes in market prices, whether or not those changes are caused by factors specific to the individual asset or factors affecting all assets in the market. The Company is predominately exposed to market risk within its securities purchased on the Vietnamese market. Furthermore, there is no certainty that the market price of the ordinary shares of the Company will fully reflect their underlying net asset value. Shares of closed-end investment companies frequently trade at a discount to net asset value. This characteristic of shares of a closed-end investment company is a risk separate and distinct from the risk that the net asset value may decrease.

The overall market positions are monitored continuously by the Investment Manager and at least quarterly by the Board of Directors.

The Company's investments in securities are exposed to market risk and are disclosed by the following generic investment types:

	30.06.09		30.06.08	
Description	Fair value in US$	% of net assets	Fair value in US$	% of net assets
Shares and similar investments - listed	50,174,427	75.34%	34,472,619	50.23%
Shares and similar investments - unlisted	11,677,202	17.53%	20,262,512	29.52%
	61,851,629	92.87%	54,735,131	79.75%

At June 30, 2009 a 5% reduction in the market value of the portfolio would have lead to a reduction in net asset value of US$ 3,092,581. A 5% increase in market value would have lead to an equal and opposite effect.

Currency risk

The Company may invest in financial instruments and enter into transactions denominated in currencies other than its functional currency of US$. Consequently, the Company is exposed to risks that the exchange rate of its currency relative to other currencies may change and have an adverse effect on the value of the Company's assets or liabilities denominated in currencies other than US$.

The Company's net assets are calculated every month based on the most up to date exchange rates while the general economic and foreign currency environment is continuously monitored by the investment manager and reviewed by the VNH Board of Directors at least once per quarter.

The Company may enter into arrangements to hedge currency risks if such arrangements become desirable and practicable in the future in the interest of efficient portfolio management.

As at June 30, 2009 the Company had the following currency exposure:

	Assets Fair value	Assets Fair value
	30.06.09	30.06.08
Currency	US$	US$
Vietnamese Dong	62,269,190	58,191,637
Euro	1,686,427	-
	63,955,617	58,191,637

At June 30, 2009 a 5% reduction in the value of the Vietnamese Dong and Euro would have lead to a reduction in net asset value of US$ 3,113,460 and 84,321, respectively. A 5% increase in value would have lead to an equal and opposite effect.

Credit risk

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

At June 30, 2009, the following financial assets were exposed to credit risk: cash and cash equivalents, accrued dividend and other receivables. The total amount of financial assets exposed to credit risk amounted to US$ 5,117,271 (30.06.08: US$ 14,434,694).

Substantially all of the assets of the Company are held by Credit Suisse. Bankruptcy or insolvency of the bank and custodian may cause the Company's rights with respect to cash and securities held by the bank and custodian to be delayed or limited. The Company monitors its risk by monitoring the credit quality and financial positions of the bank and custodian the Company uses.

Liquidity risk

The Company, a closed-end investment company, will invest in companies through listings on the Vietnam stock exchange or on other stock exchanges. There is no guarantee however that the Vietnam stock exchange will provide liquidity for the Company's investments in unlisted companies. The Company may have to resell such investments in privately negotiated transactions.

The Company's overall liquidity risks are monitored on at least a quarterly basis by the Board of Directors. The Company is a closed-end Investment Company so shareholders cannot redeem their shares directly from the Company.

Interest rate risk

The majority of the Company's financial assets are non-interest-bearing. Interest-bearing financial assets and interest-bearing financial liabilities mature or reprice in the short-term, no longer than twelve months. As a result, the Company is subject to limited exposure to fair value interest rate risk due to fluctuations in the prevailing levels of market interest rates.

During the year ended June 30, 2009 interest rates ranged from 0.0% to 1.0% (June 30, 2008: 1.9% to 5.7%)

The following table details the Company's exposure to interest rate risks (less than three months):

	Fair value 30.06.09 US$	Fair value 30.06.08 US$
Cash and cash equivalents	5,070,762	14,329,694

At June 30, 2009 a 1% reduction in interest rates would have decreased the net asset value by US$ 50,708. A 1% increase in value would have lead to an equal and opposite effect.

4 SHARE CAPITAL

The ordinary shares have been created pursuant to the Companies Law in the Cayman Islands. The Company was incorporated with an authorised share capital of US$ 100,000,000 divided into 100,000,000 ordinary shares of US$ 1.00 each. The one ordinary share in issue was transferred to the Investment Manager on April 28, 2006 and purchased by the Company on June 15, 2006 for US$ 1.00 and was immediately cancelled.

On June 6, 2006, the Board resolved that 56,250,000 ordinary shares would be allotted at a placing price of US$ 2.00 per ordinary share at, but conditional upon, admission. The ordinary shares' ISIN number is KYG9361X1043. No shares have been issued or redeemed since June 6, 2006.

The Company strives to invest the capital raised to meet the Company's investment objectives which are to achieve long term capital appreciation through a diversified portfolio of companies that have high potential in Vietnam. The Company achieves this aim by investing principally in securities of former State-owned Entities (**SOEs**) in Vietnam prior to, at or after such securities becoming listed on the Vietnam stock exchange.

The Company does not have any externally imposed capital requirements.

Redeemable shares

The Company's general intention is to reinvest the capital received on the sale of investments. However, the Board may from time to time and in its discretion, either use the proceeds of sales of investments to meet the Company's expenses or distribute them to shareholders. Alternatively, the Board may redeem ordinary shares with such proceeds for shareholders pro rata to their shareholding upon not less than 30 calendar days' notice to shareholders (subject always to applicable law) or repurchase ordinary shares at a price not exceeding the last published net asset value per share.

5 INTEREST INCOME

	30.06.09 US$	**30.06.08** US$
Interest income arising from financial assets that are not at fair value through profit or loss:		
Cash and cash equivalents	82,052	1,444,311
Total interest income recognised on financial assets	82,052	1,444,311

6 RELATED PARTY TRANSACTIONS

Investment Management fees

The Investment Manager is entitled to an investment management fee of 2% per annum on the monthly net assets under management. The fee is payable monthly in advance and is calculated by reference to the NAV at the end of the preceding month. In addition, the Investment Manager is reimbursed by the Company for administrative functions that it performs on behalf of the Company.

The Company will pay to the Investment Manager a performance bonus each year at the rate of 20% of the annual increase in net asset value over the higher of an annualised hurdle rate of 5% and a "high water mark" requirement.

The total fees accruing to the Investment Manager for the year to June 30, 2009 were US$ 1,211,751 (30.06.08: US$ 2,349,957) as a management fee and US$ 151,047 (30.06.2008: US$ 191,080) for administrative support. At June 30, 2009, US$ 50,313 due to the Investment Manager are included in accrued expenses (30.06.2008: US$ 60,225).

No performance fee was due as at June 30, 2009 nor at June 30, 2008.

Directors' fees and expenses

The Board will determine the fees payable to each Director, subject to a maximum aggregate amount of US$ 350,000 per annum being paid to the Board as a whole. The Company will also pay reasonable expensesincurred by the Directors in the conduct of the Company's business including travel and other expenses. The Company will pay for directors and officers liability insurance coverage.

The charges for the year for the Directors fees were US$ 203,000 (30.06.08: US$ 298,000) and expenses were US$ 117,704 (30.06.08: US$ 190,208).

Directors' ownership of shares

As at June 30, 2009, Min-Hwa Hu Kupfer held 20,000 (June 30, 2008: 20,000) ordinary shares of the Company representing 0.04% of the total shares outstanding.

John J. Hoey, who resigned during the year ended June 30, 2009, held 100,000 ordinary shares representing 0.18% of the Company as at June 30, 2008.

7 CUSTODIAN FEES

Until July 21, 2008, the custodian received a fee of 0.16% per annum of the value of the assets held by it. The custodian also charged fees for transactions and was entitled to charge out-of-pocket and any third party expenses.

Effective July 22, 2008, and onwards, the custodian fee is as follow:

The custodian received a fee of:	up to US$ 20 million:	0.26%
	from US$ 20 million to US$ 50 million:	0.19%
	above US$ 50 million:	0.16%.

The charges for the year for the Custodian fees were US$ 129,056 (30.06.08: US$ 198,184).

8 ADMINISTRATION AND ACCOUNTING FEES

The administrator received a fee of 0.1% per annum calculated on the basis of the net assets of the Company during the last half year, with the fee payable at the end of each half year, subject to an annual minimum amount of 100,000 US$ per annum.

The charges for the year for the Administration and Accounting fees were US$ 100,000 (30.06.08: US$ 110,626).

9 CONTROLLING PARTY

The Directors are not aware of any ultimate controlling party as at June 30, 2008 or June 30, 2009.

10 FAIR VALUE INFORMATION

For certain of the Company's financial instruments not carried at fair value, such as cash and cash equivalents, accrued dividends and other assets and creditors and accrued charges, the amounts approximate fair value due to the immediate or short term nature of these financial instruments.

Other financial instruments are measured at fair value on the statement of the net assets attributable to shareholders.

Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement and therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

11 EARNINGS PER SHARE

The calculation of earnings per share at June 30, 2009 was based on the change in net assets attributable to shareholders of US$ (2,034,464) (June 30, 2008: US$ (56,122,150)) and the weighted average number of shares outstanding of 56,250,000 (June 30, 2008: 56,250,000).

Unaudited half-yearly financial statements for the six months ended 31 December 2011

The unaudited half-yearly financial statements for the six months ended 31 December 2011 are set out below. The unaudited half-yearly financial statements have not been audited or reviewed.

The financial statements have been accurately reproduced from those published by the Company on 16 February 2012. The Company has recently been made aware of a number of minor errors in the notes to these financial statements, none of which it considers to be material. The relevant corrections are set out below:

Note to Financial Statements	Incorrect Statement	Corrected Statement
7	…total fees accruing to the Investment Manager for the six month period to **December 30, 2011** were USD 633,052 (31.12.10: USD 758,641). At **December 30, 2011**, USD 50,721 due to the Investment Manager are included in accrued expenses (**31.12.2009**: USD 60,925).	"…total fees accruing to the Investment Manager for the six month period to **December 31, 2011** were USD 633,052 (31.12.10: USD 758,641)". At **December 31, 2011**, USD 50,721ø due to the Investment Manager are included in accrued expenses (**31.12.2010**: USD 60,925ø).
7	The charges for the six month period to December 31, 2011 for the Directors fees were USD 125,000 (**31.12.11: USD 125,000**)	The charges for the six month period to December 31, 2011 for the Directors fees were USD 125,000 (**31.12.10**: **USD 125,000**)
7	As at **December 31, 2010**, Min-Hwa Hu Kupfer held 20,000 (**31.12.09**: 20,000) ordinary shares of the Company representing 0.04% of the total shares outstanding.	As at **December 31, 2011**, Min-Hwa Hu Kupfer held 20,000 (**31.12.10**: 20,000) ordinary shares of the Company representing 0.04% of the total shares outstanding.
9	"The charges for the six month period to **December 31, 2010** for the Administration and Accounting fees were USD 50,000 (**31.12.09**: USD 50,000)."	"The charges for the six month period to **December 31, 2011** for the Administration and Accounting fees were USD 50,000 (**31.12.10**: USD 50,000)."
10	The Directors are not aware of any ultimate controlling party as at **June 30, 2010 or June 30, 2009.**	The Directors are not aware of any ultimate controlling party as at **December 31, 2011 or December 31, 2010.**
12	The calculation of earnings per share at December 30, 2011 was based on the change in net assets attributable to shareholders of USD (1,812,277) (December 31, 2010: USD **4,049,334**) and the number of shares outstanding of 54,582,112 (December 31, 2010: 56,200,000).	The calculation of earnings per share at December 30, 2011 was based on the change in net assets attributable to shareholders of USD (1,812,277) (December 31, 2010: USD **(4,049,334)**) and the number of shares outstanding of 54,582,112 (December 31, 2010: 56,200,000).

Balance sheet as at December 31, 2011

	Note	Unaudited As at 31.12.11 USD	Unaudited As at 31.12.10 USD	Audited As at 30.06.11 USD
Assets				
Cash and cash equivalents	2	10,945,806	7,673,315	2,439,854
Investments in securities at fair value	2	49,763,558	67,759,576	60,139,513
Other receivable and prepayment		144,927	0	0
Receivable from sale of investment		0	0	11,203
Accrued interest on bonds and dividends due		345,173	119,679	54,740
Total assets		**61,199,464**	**75,552,570**	**62,645,310**
Liabilities				
Payable on purchase of investment		709,139	0	0
Accrued expenses		201,692	516,897	372,510
Other liabilities		350,230	0	0
Total liabilities		**1,261,061**	**516,897**	**372,510**
Net assets attributable to shareholders		**59,938,403**	**75,035,673**	**62,272,800**

The financial statements on pages 117 to 133 were approved by the Board of Directors on February 14, 2012.

The notes on pages 121 to 133 form an integral part of these financial statements.

Statement of Comprehensive Income
for the six month period from July 1, 2011 to December 31, 2011

	Notes	Unaudited 01.07.11- 31.12.11 USD	Unaudited 01.07.10 - 31.12.10 USD	Audited 01.07.10 - 30.06.11 USD
Income				
Interest income	5	0	234	234
Dividend income from equity securities designated at fair value through profit or loss		2,455,419	1,503,597	2,532,812
Realised gain/(loss) on investments		-7,175,319	1,364,375	-599,410
Net foreign exchange (loss)/gain	2	-122,189	-708,445	7,382
Movement in unrealised gain on investments	2	4,303,085	-4,690,318	-15,110,637
Net investment income		**-539,004**	**-2,530,557**	**-13,169,619**
Expenses				
Investment Management fee	6	633,052	758,641	1,449,229
Advisory fees		79,750	61,500	111,452
Accounting fees	8	58,500	50,000	100,000
Custodian fee	7	53,750	72,500	140,642
Director fees and expenses	6	125,000	125,000	276,087
Brokerage fees		32,235	16,267	67,369
Audit fees		31,500	30,000	59,746
Publicity and investor relations fees		86,500	116,500	297,381
Insurance fees		22,500	22,500	45,000
Administration expenses		100,014	87,650	159,500
Risk management expenses		45,000	145,000	58,150
Technical assistance		5,000	30,000	34,377
Bank interest		473	3,219	0
Total operating expenses		**1,273,273**	**1,518,777**	**2,798,933**
Change in net assets attributable to shareholders		**-1,812,277**	**-4,049,334**	**-15,968,552**

The notes on pages 121 to 133 form an integral part of these financial statements.

Statement of Changes in Equity
for the six month period from July 1, 2011 to December 31, 2011

	Share Capital	Retained Earnings	Total
	USD	USD	USD
		-	
Balance at July 1, 2010	112,500,000	(33,365,645)	79,134,355
Total comprehensive income for the period			
Profit or loss		(4,049,334)	(4,049,334)
Redemption of share during the period	(49,348)		(49,348)
Balance at December 31, 2010	112,450,652	(37,414,979)	75,035,673
Balance at July 1, 2011	112,181,354	(49,465,245)	62,716,109
Total comprehensive income for the period			
Profit or loss		(1,812,277)	(1,812,277)
Redemption of shares during the period	(965,429)		(965,429)
Balance at December 31, 2011	111,215,925	(51,277,522)	59,938,403

The notes on pages 121 to 133 form an integral part of these financial statements.

Statement of Cash Flows
for the six month period from July 1, 2011 to December 31, 2011

	Unaudited	**Unaudited**	**Audited**
	01.07.11 -	**01.07.10 -**	**01.07.10 -**
	31.12.11	**31.12.10**	**30.06.11**
	USD	USD	USD
Cash flows from operating activities			
Increase/(decrease) in net assets attributable to shareholders	-1,812,277	-4,049,334	- 15,968,552
Adjustments for:			
Interest income	0	-234	-234
Dividend income	-2,455,419	-1,503,597	-2,532,812
Net realised gain on investments	7,175,319	-1,364,375	599,410
Net unrealised loss/(gain) on debt and equity instruments	-4,303,085	4,690,318	15,110,637
Unrealised foreign currency loss	122,189	-150,632	101,092
	-1,273,273	**-2,377,854**	**-2,690,459**
Net increase/(decrease) in amounts due from brokers	-	-	-
Net increase/(decrease) in other receivables and payables	-315,510	99,796	-164,993
Cash used in operations	**-1,588,783**	**-2,278,058**	**-2,855,452**
Interest received		234	234
Dividends received	2,164,986	1,503,597	2,560,631
Net cash used in operating activities	**576,203**	**-774,227**	**-294,587**
Cash flows from investing activities			
Purchase of investments	-1,185,694	-179,492	-5,702,247
Proceeds from sale of investments	9,853,066	5,444,455	5,873,827
Net cash from investing activities	**8,667,372**	**5,264,963**	**171,580**

Cash flows from financing activities			
Proceeds from redeemable units	-	-	-
Redemption of redeemable units	-615,434	49,348	-318,646
Net cash from financing activities	**-615,434**	**49,348**	**-318,646**
Net increase/(decrease) in cash and cash equivalents	**8,628,141**	**4,540,084**	**-441,653**
Cash and cash equivalents at the beginning of the period	2,439,854	2,982,599	2,982,599
Effect of exchange rate fluctuations on cash held	-122,189	150,632	-101,092
Cash and cash equivalents at the end of the period	**10,945,806**	**7,673,315**	**2,439,854**

The notes on pages 121 to 133 form an integral part of these financial statements.

1 THE COMPANY

VietNam Holding Limited ("VNH" or the "Company") is a closed-end investment holding company incorporated on April 20, 2006 as an exempt company under the Companies Law in the Cayman Islands and commenced its operations on June 15, 2006, to invest principally in securities of former State-owned Entities ("SOEs") in Vietnam, prior to, at or after the time such securities become listed on the Vietnam stock exchange, including the initial privatisation of the SOEs. The Company may also invest in the securities of private companies in Vietnam, whether Vietnamese or foreign owned, and the securities of foreign companies if a significant portion of their assets are held or operations are in Vietnam.

The investment objective of the Company is to achieve long-term capital appreciation by investing in a diversified portfolio of companies that have high growth potential at an attractive valuation.

Vietnam Holding Asset Management Limited (VNHAM) has been appointed as the Company's Investment Manager and is responsible for the day-to-day management of the Company's investment portfolio in accordance with the Company's investment policies, objectives and restrictions.

Credit Suisse Zürich has been appointed to act as custodian of the Company's assets (as can be legally held outside of Vietnam). Vietnamese law requires that the Company's shares in listed companies must be held by a custodian registered as such in Vietnam and these assets will therefore be held by the Vietnam sub-custodian. HSBC (Vietnam) has been appointed to act as sub-custodian. Credit Suisse Asset Management Fund Service (Luxembourg) S.A. has been appointed to act as the administrator of the Company.

The registered office of the Company is CARD Corporate Services Ltd., Fourth Floor, Zephyr House, 122 Mary Street, PO Box 709 GT, Grand Cayman, KY1-1107, Cayman Islands.

2 PRINCIPAL ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and interpretations adopted by the International Accounting Standards Board and the European Union.

(b) **Basis of preparation**

The financial statements are presented in USD and rounded to the nearest USD. They are prepared on a fair value basis for financial assets and financial liabilities at fair value through the profit or loss account. Other financial assets and liabilities are stated at amortised cost.

The shares were issued in USD and the listings of the shares are in USD and Euro. The performance of the Company is measured and reported to the investors in USD, although the primary activity of the Company is to invest in the Vietnamese market. The Board of Directors considers the USD as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in USD, which is the Company's functional and presentation currency.

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimated and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

The Company has adopted IFRS 8 "Operating Segments" as of January 1, 2009. The new standard requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes.

The Board has considered the requirements of IFRS 8 "Operating Segments" and is of the view that the Company is engaged in a single segment of business, being investment in Vietnam. The Board, as a whole, has been determined as constituting the chief operating decision maker of the Company. The key measure of performance used by the Board to assess the Company's performance and to allocate resources is the total return on the Company's net asset value, as calculated under IFRS as adopted by the European Union and as per the prospectus, and therefore no reconciliation is required between the measure of profit or loss used by the Board and that contained in these financial statements.

(c) **Foreign currency translation**

Transactions in foreign currencies other than the functional currency are translated at the rate ruling on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated to USD at the rates ruling on the year-end date. Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are included in the statement of comprehensive income. Foreign currency exchange differences relating to financial instruments held-for-trading are included in the realised and unrealised gains and losses on those investments. All other foreign currency exchange differences relating to other monetary items, including cash and cash equivalents, are included in net foreign exchange gains and losses in the statement of comprehensive income.

(d) **Financial instruments**

(i) **Classification**

The Company designated all its investments as financial assets at fair value through profit or loss category.

Financial instruments designated at fair value through profit or loss upon initial recognition. These include financial assets that are not held for trading purposes and which may be sold. These are investments in exchange-traded equity instruments and unlisted equity instruments.

Financial assets that are classified as loans and receivables include accrued dividends.

Cash and cash equivalents are valued at amortised cost.

Financial liabilities that are not at fair value through profit or loss include accrued expenses.

(ii) **Recognition**

The Company recognises financial assets held for trading on the trade date, being the date it commits to purchase the instruments. From this date, any gains and losses arising from changes in fair value of the assets or liabilities are recorded.

Financial liabilities are not recognised unless one of the parties has performed its obligation.

(iii) **Derecognition**

A financial asset is derecognised when the Company no longer has control over the contractual rights that comprise that asset. This occurs when the rights are realised, expire or are surrendered.

Financial assets that are sold are derecognised, and corresponding receivables from the buyer for the payment are recognised on the trade date, being the date the Company commits to sell the assets.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

The weighted average method is used to determine realised gains and losses on derecognition.

(iv) **Measurement**

Financial instruments are measured initially at cost. For financial assets acquired, cost is the fair value of consideration given. Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately.

<u>Valuation</u>

Investments are recorded at fair value. The fair value of the securities is based on their quoted bid price at the balance sheet date without any deduction for transaction costs.

If the securities are not listed, the value of the relevant securities is ascertained by the Board of Directors in good faith using valuation methods which it considers fair in the circumstances including quotes received from brokers and other third party sources where possible.

As at December 31, 2011, 15% (December 31, 2010: 15%) of the net assets of the Company was based on quotes obtained from brokers.

Any increases or decreases in values are recognised in the statement of comprehensive income as an unrealised gain or loss.

(v) **Gains and losses on subsequent measurement**

Gains and losses arising from a change in the fair value of financial instruments are recognised in the statement of comprehensive income.

(vi) **Impairment**

Financial assets that are stated at cost or amortised cost are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, an impairment loss is recognised in the statement of comprehensive income as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

If in a subsequent period the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through the statement of comprehensive income.

(vii) **Specific instruments**

Cash and cash equivalents

Cash comprises current deposits with banks and fixed deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(e) **Interest income and expense**

Interest income and expense is recognised in the statement of comprehensive income using the effective rate method.

Interest income includes the amortisation of any discount or premium on zero coupon bonds, which is taken as income on the basis of yield to redemption, from the date of purchase.

(f) **Formation expenses**

Costs attributable to the establishment of the Company have been expensed in full.

(g) **Offsetting**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Company has a legally enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis or simultaneously, e.g. through a market clearing mechanism.

(h) **Amounts due to/from brokers**

Amounts due to/from brokers represent security purchases and sales transactions which are contracted for but not yet delivered at the end of the accounting period.

(i) **Taxation**

At present, no income, profit, capital, or capital gain taxes are levied in the Cayman Islands, and accordingly, no provision for such taxes has been recorded by the Company in the accompanying financial statements.

In the event that such taxes are levied, the Company has received an undertaking from the Governor in Cabinet of the Cayman Islands exempting it from all such taxes for a period of twenty years from May 2, 2006.

(j) **Adoption of new and revised standards**

Adoption of new standards and amendments to existing standards

In addition to the adoption of IFRS 8, in November 2009, the European Union adopted IFRS 7 Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments, which became applicable from January 1, 2009. The Company has adopted these amendments in these financial statements.

The amendments require disclosures relating to fair value measurements using a three-level hierarchy that reflects the significance of inputs used in measuring fair values and contains the following three levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The amendments also revise the minimum disclosures on liquidity risk including an analysis of remaining contractual maturities for non derivative financial liabilities, and a maturity analysis for derivative financial liabilities for which those contractual maturities that are essential for an understanding of the timing of cash flows. The amendments also require disclosure of how liquidity risk inherent in these items is managed.

Comparative information has not been presented nor restated as permitted by the transition section of the amendment.

The IASB has issued, and the European Union has adopted several standards, amendments to standards and interpretations that will be effective for the Company applicable from January 1, 2010 or after. The Company has not elected to adopt these standards, amendments to existing standards or interpretations.

Various Improvements to IFRSs have been dealt with on a standard-by-standard basis. All amendments, which result in accounting changes for presentation, recognition or measurement, will come into effect not earlier than January 1, 2010. The Company has not yet analysed the likely impact of the improvements on its financial position or performance.

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the financial statements of the Company

3 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

Financial assets of the Company include investments in securities, cash and cash equivalents and accrued income. Financial liabilities are comprised of accrued charges. Accounting policies for financial assets and liabilities are set out in note 2.

The Company's investment activities expose it to various types of risk that are associated with the financial instruments and the markets in which it invests. The most important

types of financial risk to which the Company is exposed are market risk, currency risk, credit risk and liquidity risk.

Asset allocation is determined by the Company's Investment Manager who manages the distribution of the assets to achieve the investment objectives. Divergence from target asset allocations and the composition of the portfolio is monitored by the Investment Manager.

Market risk

Market risk is the risk that the value of a financial asset will fluctuate as a result of changes in market prices, whether or not those changes are caused by factors specific to the individual asset or factors affecting all assets in the market. The Company is predominately exposed to market risk within its securities purchased on the Vietnamese market.

The overall market positions are monitored continuously by the Investment Manager and at least quarterly by the Board of Directors.

The Company's investments in securities are exposed to market risk and are disclosed by the following generic investment types:

	31.12.11		**31.12.10**		**30.06.11**	
Description	Fair Value in USD	% of net assets	Fair Value in USD	% of net assets	Fair Value in USD	% of net assets
Bonds and similar investments						
Shares and similar investments-listed	40,853,926	68.16%	56,250,739	74.96%	49,743,084	80.08%
Shares and similar investments-unlisted	8,909,632	14.86%	11,508,837	15.34%	10,396,429	16.74%
	49,763,558	83.02%	67,759,576	90.30%	60,139,513	96.82%

At December 31, 2011 a 5% reduction in the market value of the portfolio would have lead to a reduction in net asset value of USD 2,488,178. A 5% increase in market value would have lead to an equal and opposite effect.

Currency risk

The Company may invest in financial instruments and enter into transactions denominated in currencies other than its functional currency of USD. Consequently, the Company is exposed to risks that the exchange rate of its currency relative to other currencies may change and have an adverse effect on the value of the Company's assets or liabilities denominated in currencies other than USD.

The Company's net assets are calculated every month based on the most up to date exchange rates while the general economic and foreign currency environment is continuously monitored by the investment manager and reviewed by the VNH Board of Directors at least once per quarter.

The Company may enter into arrangements to hedge currency risks if such arrangements become desirable and practicable in the future in the interest of efficient portfolio management.

As at December 31, 2010 the Company had the following currency exposure:

	Fair value 31.12.11	Fair value 31.12.10	Fair value 30.06.11
Currency	USD	USD	USD
Vietnamese Dong	59,087,702.20	72,934,230	60,958,283
CHF	213,880.87	-	-
Euro	15,171.49	406,857	1,141,235
	59,316,755	73,341,087	62,099,518

At December 31, 2011 a 5% reduction in the value of the Vietnamese Dong, Swiss Franc and Euro would have lead to a reduction in net asset value of USD 2,965,838. A 5% increase in value would have lead to an equal and opposite effect.

Credit risk

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

At December 31, 2011, the following financial assets were exposed to credit risk (including settlement risk): cash and cash equivalents, accrued dividend and other receivables. The total amount of financial assets exposed to credit risk amounted to USD 61,176,964 (31.12.10: USD 75,552,570).

Substantially all of the assets of the Company are held by Credit Suisse. Bankruptcy or insolvency of the bank and custodian may cause the Company's rights with respect to cash and securities held by the bank and custodian to be delayed or limited. The Company monitors its risk by monitoring the credit quality and financial positions of the bank and custodian the Company uses.

Liquidity risk

The Company, a closed-end investment company, will invest in companies through listings on the Vietnam stock exchange or on other stock exchanges. There is no guarantee however that the Vietnam stock exchange will provide liquidity for the Company's investments in unlisted companies. The Company may have to resell such investments in privately negotiated transactions.

The Company's overall liquidity risks are monitored on at least a quarterly basis by the Board of Directors. The Company is a closed-end Investment Company so shareholders cannot redeem their shares directly from the Company.

Interest rate risk

The majority of the Company's financial assets are non-interest-bearing. Interest-bearing financial assets and interest-bearing financial liabilities mature or reprice in the short-term, no longer than twelve months. As a result, the Company is subject to limited exposure to interest rate risk due to fluctuations in the prevailing levels of market interest rates.

The following table details the Company's exposure to interest rate risks (less than three months):

	Fair value 31.12.11 USD	Fair value 31.12.10 USD
Cash and cash equivalents	10,945,806	7,673,315

At December 31, 2011 a 1% reduction in interest rates would have decreased the net asset value by USD 109,458. A 1% increase in value would have lead to an equal and opposite effect.

4 OPERATING SEGMENTS

Information on realised gains and losses derived from sales of investments are disclosed on the statement of comprehensive income.

The Company is domiciled in the Cayman Islands. Entity wide disclosures are necessary as the Company is engaged in a single segment of business, investing in Vietnam. In presenting information on the basis of geographical segments, segment investments and the corresponding segment net investment income arising thereon are determined based on the country of domicile of the respective investment entities.

All of the Company's investments in securities at fair value are domiciled in Vietnam as at December 31, 2011 and 2010. All of the Company's investment income can be attributed to Vietnam for the years ended June 30, 2011 and 2010.

5 SHARE CAPITAL

The ordinary shares have been created pursuant to the Companies Law in the Cayman Islands. The Company was incorporated with an authorised share capital of USD 100,000,000 divided into 100,000,000 ordinary shares of USD 1.00 each. The one ordinary share in issue was transferred to the Investment Manager on April 28, 2006 and purchased by the Company on June 15, 2006 for USD 1.00 and was immediately cancelled.

On June 6, 2006, the Board resolved that 56,250,000 ordinary shares would be allotted at a placing price of USD 2.00 per ordinary share at, but conditional upon, admission. The ordinary shares' ISIN number is KYG9361X1043. On November 24, 2010 the Company purchased for cancellation 50,000 ordinary shares. As a result the Company had 56,200,000 ordinary shares as of December 31, 2010, with voting rights, in issue.

During period from April 2011 to December 2011, the Company purchased for cancellation 1,617,888 shares. As a result the Company had 54,582,112 ordinary shares with voting rights at 31 December 2011.

The Company strives to invest the capital raised to meet the Company's investment objectives which are to achieve long term capital appreciation through a diversified portfolio of companies that have high potential in Vietnam. The Company achieves this aim by investing principally in securities of former State-owned Entities ("SOEs") in Vietnam prior to, at or after such securities becoming listed on the Vietnam stock exchange.

The Company does not have any externally imposed capital requirements.

Redeemable shares

A puttable financial instrument that includes a contractual obligation for the Company to repurchase or redeem that instrument for cash or another financial asset is classified as equity if it meets all of the following conditions:

- it entitles the holder to a pro rata share of the Company's net assets in the event of the Company's liquidation;

- it is in the class of instruments that is subordinate to all other classes of instruments;

- all financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;

- apart from the contractual obligation for the Company to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any other features that would require classification as a liability; and

- the total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Company over the life of the instrument.

The Company's redeemable shares meet these conditions and are classified as equity.

Incremental costs directly attributable to the issue or redemption of redeemable shares are recognised directly in equity as a deduction from the proceeds or part of the acquisition cost.

The Company's general intention is to reinvest the capital received on the sale of investments. However, the Board may from time to time and in its discretion, either use the proceeds of sales of investments to meet the Company's expenses or distribute them to shareholders. Alternatively, the Board may redeem ordinary shares with such proceeds for shareholders pro rata to their shareholding upon not less than 30 calendar days' notice to shareholders (subject always to applicable law) or repurchase ordinary shares at a price not exceeding the last published net asset value per share.

6 INTEREST INCOME

	31.12.11	31.12.10	30.06.11
Interest income arising from financial assets that are not at fair value through profit or loss:	-		
Cash and cash equivalents	-	234	234
Total interest income recognised on financial assets	-	234	234

7 RELATED PARTY TRANSACTIONS

Investment Management fees

The Investment Manager is entitled to an investment management fee of 2% per annum on the monthly net assets under management. The fee is payable monthly in advance and is calculated by reference to the NAV at the end of the preceding month. In addition, the Investment Manager is reimbursed by the Company for administrative functions that it performs on behalf of the Company.

The Company will pay to the Investment Manager a performance bonus each year at the rate of 20% of the annual increase in net asset value over the higher of an annualised hurdle rate of 5% and a “high water mark” requirement.

The total fees accruing to the Investment Manager for the six month period to December 30, 2011 were USD 633,052 (31.12.10: USD 758,641) as a management fee and USD 100,014 (31.12.10: USD 87,650) for administrative support. At December 30, 2011, USD 50,721 due to the Investment Manager are included in accrued expenses (31.12.2009: USD 60,925).

No performance fee was due as at December 31, 2011 nor at December 31, 2010.

Directors’ fees and expenses

The Board will determine the fees payable to each Director, subject to a maximum aggregate amount of USD 350,000 per annum being paid to the Board as a whole. The Company will also pay reasonable expensesincurred by the Directors in the conduct of the Company’s business including travel and other expenses. The Company will pay for directors and officers liability insurance coverage.

The charges for the six month period to December 31, 2011 for the Directors fees were USD 125,000 (31.12.11: USD 125,000) of which expenses were USD 42,500 (31.12.10: USD 33,083).

Directors’ ownership of shares

As at December 31, 2010, Min-Hwa Hu Kupfer held 20,000 (31.12.09: 20,000) ordinary shares of the Company representing 0.04% of the total shares outstanding.

8 CUSTODIAN FEES

The custodian fee is as follows:

The custodian received a fee of:	Assets held up to USD 20 million:	0.26%
	Assets held from USD 20 million to USD 50 million:	0.19%
	Assets held above USD 50 million:	0.16%.

The charges for the six month period to December 31, 2011 for the Custodian fees were USD 53,750 (31.12.10: USD 72,500)

9 ADMINISTRATION AND ACCOUNTING FEES

The administrator received a fee of 0.1% per annum calculated on the basis of the net assets of the Company during the last half year, with the fee payable at the end of each half year, subject to an annual minimum amount of 100,000 USD per annum.

The charges for the six month period to December 31, 2010 for the Administration and Accounting fees were USD 50,000 (31.12.09: USD 50,000).

10 CONTROLLING PARTY

The Directors are not aware of any ultimate controlling party as at June 30, 2010 or June 30, 2009.

11 FAIR VALUE INFORMATION

For certain of the Company's financial instruments not carried at fair value, such as cash and cash equivalents, accrued dividends and other assets and creditors and accrued charges, the amounts approximate fair value due to the immediate or short term nature of these financial instruments.

Other financial instruments are measured at fair value on the statement of the net assets attributable to shareholders.

Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement and therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Fair value hierarchy

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges (for example, London Stock Exchange, Frankfurt Stock Exchange, New York Stock Exchange) and exchanges traded derivatives like futures (for example, Nasdaq, S&P 500).

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level includes the majority of the OTC derivative contracts, traded loans and issued structured debt. The sources of input parameters like LIBOR yield curve or counterparty credit risk are Bloomberg and Reuters.

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible

The carrying amounts of financial assets at December 31, 2011 are as follows (all amounts in USD):

	Level 1	**Level 2**	**Level 3**	**Total**
As at December 31, 2011	USD	USD	USD	USD
Financial assets designated at fair value upon initial recognition				
Equity Investments	40,853,926	-	8,909,632	49,763,558
	40,853,926	**-**	**8,909,632**	**49,763,558**

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Assessing whether an input is significant requires judgement including consideration of factors specific to the asset or liability. Moreover, if a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that fair value measurement is a Level 3 measurement.

Level 3 Reconciliation

	Financial assets designated at fair value through profit or loss
All amounts stated in USD	
December 31, 2011	
Opening balance	**10,396,429**
Sales	-1,295,937
Total gains and losses recognised in profit or loss*	(190,860)
Closing balance	**8,909,632**

* Total gains or losses recognised in profit or loss for assets and liabilities held at the end of the reporting period, as presented in the statement of comprehensive income.

12 EARNINGS PER SHARE

The calculation of earnings per share at December 30, 2011 was based on the change in net assets attributable to shareholders of USD (1,812,277) (December 31, 2010: USD 4,049,334) and the number of shares outstanding of 54,582,112 (December 31, 2010: 56,200,000).

PART VI
THE TERMS OF THE WARRANTS

The Warrants are constituted by, and will be issued subject to and with the benefit of, a Deed Poll of the Company dated the date of this document (the **Warrant Instrument**). Holders of Warrants will be bound by all the terms and conditions set out in the Warrant Instrument.

1 Subscription rights

(a) A holder of Warrants shall have rights (**subscription rights**) to subscribe in cash on the Exercise Date for all or any of the Shares for which he is entitled to subscribe under such Warrants of which he is the holder at the Exercise Price payable in full on subscription, subject to adjustment as provided in paragraph 2 below. The number of Shares to which each Warrant relates is (prior to any adjustment as provided in paragraph 2 below) one Share. The Exercise Price, the number of Warrants outstanding and the number and/or nominal value of the Shares to be subscribed upon exercise of the Warrants shall be subject to adjustment as provided in paragraph 2 below. The Warrants registered in a holder's name will be evidenced by a Warrant certificate issued by the Company or, in the case of Uncertificated Warrants, by means of any relevant computer based system enabling title to units of a security to be evidenced and transferred without a written instrument (the **Relevant Electronic System**).

(b) In order to exercise Subscription Rights in whole or in part the Warrantholder must:

(i) send a notice of subscription (a **certificated notice of exercise**) to the Registrars on any Business Day during the period of 28 days ending at 5.00 p.m. on the Exercise Date (both dates inclusive) and send a remittance for the aggregate Exercise Price payable on subscription for the Shares in respect of which the subscription rights are exercised. Any notice of subscription or remittance received after 5.00 p.m. on any Business Day will be treated as having been received on the following Business Day; or

(ii) in the case of Uncertificated Warrants (as defined in paragraph 8(f) of this Part VI), on the Exercise Date (not later than 5.00 p.m. on the relevant Business Day) arrange for the payment to the Registrars or Depository, as appropriate, (in the manner from time to time prescribed by the Board subject always to the facilities and requirements of the Relevant Electronic System concerned) of the aggregate Exercise Price payable on subscription for the Shares in respect of which the subscription rights are exercised and send to the Registrars or Depository, as appropriate, or such person as the Company may require (including, without limitation, any sponsoring system-participant acting on behalf of the Company, the Registrars or the Depository) a properly authenticated dematerialised instruction (an **uncertificated notice of exercise**). The properly authenticated dematerialised instruction shall be:

(A) in the form from time to time prescribed by the Board and having the effect determined by the Board from time to time; and

(B) addressed to the Company or the Depository, as appropriate, attributable to the system member who is the registered Warrantholder and identify (in accordance with the form prescribed by the Board as aforesaid) the Warrants in respect of which the subscription rights are to be exercised; and

provided always that:

(C) the Board may in its discretion permit the holder of any Uncertificated Warrant to exercise his subscription rights by some other means (including if the Company or any sponsoring system-participant acting on behalf of the Company is unable at any time and for any reason to receive properly authenticated dematerialised instructions) in accordance with applicable laws;

(D) the Board may in its discretion require, in addition to the receipt of a properly authenticated dematerialised instruction as referred to above, the holder of any Uncertificated Warrant to complete and deliver to the Company (or the Registrars) on or prior to the Exercise Date, a notice in such form as may from time to time be prescribed by the Board;

(E) the Board may in its discretion determine when any such properly authenticated dematerialised instruction and/or other instruction or notification is to be treated as received by the Company or by such other person as it may require for these purposes; and

(F) for the avoidance of doubt, the form of the properly authenticated dematerialised instruction as referred to above may be such as to divest the Warrantholder concerned of the power to transfer such Uncertificated Warrant to another person.

All notices, instructions and any other steps required by this paragraph 1(b) shall be subject always to the facilities and requirements of the Relevant Electronic System concerned.

(c) Not earlier than 56 days nor later than 28 days before the Exercise Date, the Company shall give notice in writing to the holders of the outstanding Warrants reminding them of their subscription rights. Failure by any holder to receive such notice shall not prejudice his rights, nor those of any other holder, to subscribe for Shares pursuant to their Warrants.

(d) Unless the Directors otherwise determine, or unless the Regulations and/or the rules of the relevant system concerned otherwise require, the Shares arising on exercise of the Warrants shall be issued in uncertificated form (where the Warrants exercised were in uncertificated form on the Exercise Date) or in certificated form (where the Warrants exercised were in certificated form on the Exercise Date). Shares issued pursuant to the exercise of subscription rights will be allotted not later than 21 days after, and with effect from, the Exercise Date. In the case of any Warrants that were in certificated form on the Exercise Date, certificates in respect of such Shares will be issued free of charge and despatched (at the risk of the person(s) entitled thereto) not later than 28 days after the Exercise Date to the person(s) in whose name(s) the Warrants are registered at the date of such exercise (and, if more than one, to the first named, which shall be sufficient despatch for all) or (subject as provided by law and to payment of stamp duty, stamp duty reserve tax or any like tax as may be applicable) to such other person(s) as may be named in the form of nomination available from the Registrar (and, if more than one, to the first named, which shall be sufficient despatch for all). In the case of any Warrants in uncertificated form, evidence of title to the Shares allotted will be recorded in accordance with the Regulations and/or the rules of the relevant system concerned. No form of nomination may be submitted in respect of uncertificated Warrants unless and until the Directors otherwise determine in accordance with the rules of the relevant system.

(e) Shares issued pursuant to the exercise of subscription rights will be allotted not later than 21 days after and with effect from the Exercise Date and certificates in respect of such Shares will be despatched (at the risk of the person(s) entitled thereto) not later than 28 days after the Exercise Date to the person(s) in whose name the Warrant is registered at the date of such exercise (and, if more than one, to the first-named, which shall be sufficient despatch for all) or (subject as provided by law and to the payment of stamp duty reserve tax or any other tax as may be applicable) to such other person(s) (not being more than four in number) as may be named in the form of nomination available for the purpose from the Registrars (and, if more than one, to the first-named, which shall be sufficient despatch for all).

(f) No fractions of a Share will be issued on the exercise of any Warrant, provided that if more than one Warrant is exercised at the same time by the same holder then, for the purposes of determining the number of Shares to be issued upon the exercise of such Warrants and whether (and, if so, what) fraction of a Share arises, the number of Shares arising on the exercise of each Warrant (including for this purpose fractions) shall first be aggregated. Any fractions of Shares arising on the exercise of Warrants on the Exercise Date shall be aggregated and, if practicable, sold in the market. The net proceeds of such sale will be paid to the holders of Warrants entitled thereto in proportion to the fractions arising on exercise of their Warrants, save that amounts of less than US$5 per holder will be retained for the benefit of the Company or, at the Company's discretion, donated to a charity of the Company's choice.

(g) Shares allotted pursuant to the exercise of subscription rights will not rank for any dividends or other distributions declared, paid or made on the Shares by reference to a record date prior to the Exercise Date but, subject thereto, will rank in full for all dividends and other distributions declared, paid or made on the Shares and otherwise will rank *pari passu* in all other respects with the Shares in issue at the Exercise Date.

(h) For so long as the Company' share capital is admitting to trading on AIM and the Entry Standard in Frankfurt, it is the intention of the Company to apply for the Shares allotted pursuant to any exercise of subscription rights to be admitted to trading on AIM and the Entry Standard in Frankfurt and the Company will use all reasonable endeavours to obtain such admissions as soon as practicable and, in any event, not later than 14 days after the allotment thereof.

(i) Within seven days following the Exercise Date, the Company shall appoint a trustee who, provided that in his opinion the net proceeds of sale after deduction of all costs and expenses incurred by, and any fee payable to, him will exceed the costs of subscription, shall within the period of 14 days following the Exercise Date exercise the subscription rights which shall not have been exercised, on the terms (subject to any adjustments made previously pursuant to paragraph 2 below) on which the same could have been exercised on the Exercise Date and sell in the market the Shares acquired on such subscription. The trustee shall distribute *pro rata* the net proceeds of such sale (after deduction of any costs and expenses incurred by, and any fee payable to, him) less such subscription costs to the persons entitled thereto at the risk of such persons within two months of the Exercise Date, provided that entitlements of under US$5 per holder shall be retained for the benefit of the Company or, at the Company's discretion, donated to a charity of the Company's choice. If the trustee shall not exercise the subscription rights within the period of 14 days following the Exercise Date (and so that his decision in respect thereof shall be final and binding on all holders of outstanding Warrants), any outstanding Warrants shall lapse at the expiry of the period of 14 days following the Exercise Date.

(j) The trustee referred to in paragraph 1(i) above shall have no liability of any nature whatsoever where he has acted honestly and reasonably and shall have no responsibility for the safe custody of, or to earn any interest on, any unpaid or unclaimed money.

(k) Without prejudice to the generality of the final sentence of paragraph 1(b) above, the exercise of subscription rights by any holder or beneficial owner of Warrants who is a US Person, or the right of such a holder or beneficial owner of Warrants or other US Person to receive the Shares falling to be issued to him following the exercise of his subscription rights, will be subject to such requirements, conditions, restrictions, limitations and/or prohibitions as the Company may at any time impose, in its absolute discretion, for the purpose of complying with the securities laws of the United States (including, without limitation, the United States Securities Act of 1933 (as amended), the United States Investment Company Act of 1940 (as amended), and any rules or regulations promulgated under such Acts). As used herein, "US Person" means any person or entity defined as such in Rule 902 (o) under the United States Securities Act of 1933 (as amended), and, without limiting the generality of the foregoing, US Person includes a resident of the United States, a corporation, partnership or other entity created or organised in or under the laws of the United States and an estate or trust, if any executor, administrator or trustee is a US Person, but shall not include a branch or agency of a United States bank or insurance company that is operating outside the United States for valid business reasons as a locally regulated branch or agency engaged in the banking or insurance business and "United States" means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction.

2 Adjustments of subscription rights

The Exercise Price (and the number of Warrants outstanding and the number and/or the nominal value of the Shares to be subscribed upon exercise of the Warrants) shall from time to time be adjusted in accordance with the provisions of this paragraph 2.

(a) If and whenever there shall be an alteration on a date (or by reference to a record date) on or before the Exercise Date in the nominal amount of the Shares as a result of a consolidation or sub-division, the Exercise Price shall be adjusted by multiplying it by a fraction of which the numerator shall be the nominal amount of one such Share immediately after such alteration and the denominator shall be the nominal amount of one such Share immediately prior to such alteration, and such adjustment shall become effective on the date the alteration takes effect.

(b) If and whenever the Company shall allot to holders of Shares any Shares credited as fully paid by way of capitalisation of reserves or profits (other than Shares paid up out of distributable reserves and issued in lieu of a cash dividend) on a date (or by reference to a record date) on or before the Exercise Date, the Exercise Price in force immediately prior to such allotment shall be adjusted by multiplying it by a fraction of which the numerator shall be the aggregate nominal amount of the issued Shares immediately before such allotment and the denominator shall be the aggregate nominal amount of the issued and allotted Shares immediately after such allotment, and such adjustment shall become effective as at the date of allotment of such Shares.

(c) If on a date (or by reference to a record date) before the Exercise Date, the Company makes any offer or invitation (whether by way of rights issue, open offer or otherwise but not being an offer made in connection with scrip dividend arrangements) to the holders of the Shares (subject to such exclusions as may be necessary to deal with legal, regulatory or practical problems in any jurisdiction) to subscribe for new Shares or securities convertible into or exchangeable for Shares or conferring rights to subscribe for Shares, or any offer or invitation (not being an offer to which paragraph 3(g) below applies) is made to such holders otherwise than by the Company, then the Company shall, so far as it is able, procure that at the same time the same offer or invitation is made to the then holders of the Warrants as if their subscription rights had been exercisable and had been exercised on the date immediately preceding the record date for such offer or invitation on the terms (subject to any adjustment made previously pursuant to paragraphs 2(a) to (f)) on which the same could have been exercised if they had been exercisable on that date, provided that, if the Directors so resolve in the case of any such offer or invitation made by the Company, the Company shall not be required to procure that the same offer or invitation is made to the then holders of the Warrants but the Exercise Price shall be adjusted:

(i) in the case of an offer of new Ordinary Shares for subscription (by way of a rights issue or open offer) at a price less than the net asset value per Share as at the close of business on the business day immediately preceding the date of announcement of the terms (including the pricing) of the offer (the **Pricing Date**) (a **Dilutive Ordinary Share Offer**), by multiplying the Exercise Price in force immediately before the Pricing Date by a fraction of which (x) the numerator is the Fully Diluted NAV per Share as at the close of business on the business day immediately preceding the Pricing Date and (y) the denominator is the Diluted NAV per Share as at the close of business on the business day immediately preceding the Pricing Date; and

(ii) in the case of an offer under which securities convertible into, or exchangeable for, Shares or conferring rights of subscription for Shares are offered by the Company (by way of a rights issue or open offer) and the price at which such securities are convertible into or exchangeable for Shares or the price at which Shares may be subscribed pursuant to the rights conferred by such securities (as the case may be) is less than the net asset value per Share as at the close of business on the business day immediately preceding the Pricing Date (a **Dilutive Alternative Securities Offer**), by multiplying the Exercise Price in force immediately before the Pricing Date by a fraction of which (x) the numerator is the Fully Diluted NAV per Share as at the close of business on the business day immediately preceding the Pricing Date and (y) the denominator is the Diluted NAV per Share as at the close of business on the business day immediately preceding the Pricing Date; and

(iii) in any other case, in such manner as the independent financial advisers appointed by the Board (the **Financial Advisers**) shall report in writing to be fair and reasonable.

For the purposes of this paragraph 2(c):

(I) **Relevant Securities** means any securities of the Company (including the Warrants) in issue as at the relevant date which are convertible into, or exchangeable for, Shares or which confer rights of subscription for Shares or which otherwise could result in the issue of new Shares, in each case at a price less than the then prevailing net asset value per Share;

(II) the **Diluted NAV per Share** shall be the amount calculated in accordance with the following formula:

$$DNAV = \frac{(A + B)}{(C + D)}$$

where:

DNAV = the Diluted NAV per Shares;

A = the net assets of the Company as at the close of business on the business day immediately preceding the Pricing Date;

B = an amount equal to the product of (x) the number of new Shares which would fall to be issued by the Company if the rights conferred by all Relevant Securities were exercisable and had been exercised in full on the business day immediately preceding the Pricing Date at the conversion, exchange or subscription price (as the case may be) applicable on the next occasion on which such rights are then capable of exercise (disregarding, in the case of the Warrants, any adjustment required by reason of the relevant offer or invitation under this paragraph 2(c)) and (y) such conversion, exchange or subscription price (as the case may be);

C = the number of Shares in issue as at the Pricing Date;

D = the number of new Shares that would result from the exercise in full (on the basis set out in B above) of all the rights conferred by the Relevant Securities; and

(III) the **Fully Diluted NAV per Share** shall be the amount calculated in accordance with the following formula:

$$FDNAV = \frac{(A + B + E)}{(C + D + F)}$$

where:

FDNAV = the Fully Diluted NAV per Share;

A = the net assets of the Company as at the close of business on the business day immediately preceding the Pricing Date;

B = an amount equal to the product of (x) the number of new Shares which would fall to be issued by the Company if the rights conferred by all Relevant Securities were exercisable and had been exercised in full on the business day immediately preceding the Pricing Date at the conversion, exchange or subscription price (as the case may be) applicable on the next occasion on which such rights are then capable of exercise (disregarding, in the case of the Warrants, any adjustment required by reason of the relevant offer or invitation under this paragraph 2(c)) and (y) such conversion, exchange or subscription price (as the case may be);

C = the number of Shares in issue as at the Pricing Date;

D = the number of new Shares that would result from the exercise in full (on the basis set out in B above) of all the rights conferred by the Relevant Securities;

E = (i) in the case of a Dilutive Ordinary Share Offer, an amount equal to the number of new Ordinary Shares offered for subscription multiplied by the issue price less the expenses of the offer and (ii) in the case of a Dilutive Alternative Securities Offer, an amount equal to the aggregate of (a) the product of (x) the number of new Shares which would fall to issued by the Company if the rights to be conferred by all the securities the subject of the offer were exercisable and had been exercised in full on the business day immediately preceding the Pricing Date at the initial conversion, exchange or subscription price (as the case may be) and (y) such conversion, exchange or subscription price (as the case may be), less the expenses of the Dilutive Alternative Securities Offer and (b) the net proceeds of such offer to be received by the Company to the extent (if any) not reflected in (a); and

F = (i) in the case of a Dilutive Ordinary Share Offer, the number of new Shares the subject of the offer assuming the same had been issued on the business day immediately preceding the Pricing Date and (ii) in the case of a Dilutive Alternative Securities Offer, the number of new Shares that would result from the exercise in full of the rights conferred by all the securities the subject of the offer if such rights were exercisable and had been exercised in full on the business day immediately preceding the Pricing Date.

(d) No adjustment shall be made to the Exercise Price pursuant to paragraph 2(a), (b) or (c) above (other than by reason of and to reflect a consolidation of Shares as referred to in paragraph 2(a) above) if it would result in an increase in the Exercise Price and, in any event, no adjustment shall be made if such adjustment would (taken together with the amount of any adjustment carried forward under the provisions of this paragraph 2(d)) be less than 1 per cent of the Exercise Price and on any adjustment the adjusted Exercise Price will be rounded down to the nearest one-tenth of a cent (US$0.001). Any adjustment not so made and any amount by which the Exercise Price is rounded down will be carried forward and taken into account in any subsequent adjustment.

(e) Whenever the Exercise Price is adjusted in accordance with paragraphs 2(a) to (d) above (other than by reason of and to reflect a consolidation of Shares as referred to in paragraph 2(a) above), the Company shall, subject as provided below, issue, for no payment, additional Warrants to each holder of Warrants at the same time as such adjustment takes effect. The number of additional Warrants to which a holder of Warrants will be entitled shall be the number of existing Warrants held by him multiplied by the following fraction:

$$\frac{X-Y}{Y}$$

where:

X = the Exercise Price immediately before the adjustment; and

Y = the Exercise Price immediately after the adjustment.

Fractions of Warrants will not be allotted to holders of Warrants but all such fractions will be aggregated and, if practicable, sold in the market. The net proceeds will be paid to the holders of Warrants entitled thereto at the risk of such persons, save that amounts of less than US$5 will be retained for the benefit of the Company.

The Company may, following such an adjustment to the Exercise Price, elect to adjust the subscription terms of the existing Warrants (as opposed to issuing additional Warrants) so that the number and/or nominal value of Shares to be subscribed on any subsequent exercise of the Warrants will be increased or, as the case may be, reduced in due proportion (fractions being ignored on an aggregated basis) so as to maintain the same cost of exercising the subscription rights of each holder of Warrants. Such adjustment shall be determined by the Directors and the Financial Advisers shall confirm that, in their opinion, the adjustments have been determined in all material respects in accordance with the provisions of the Warrant Instrument.

(f) Whenever the Exercise Price is adjusted in accordance with this paragraph 2 by reason of a consolidation of Shares as referred to in paragraph 2(a) above, the number of Shares for which each holder is entitled to subscribe will be reduced accordingly.

(g) The Company shall give notice to holders within 28 days of any adjustment made pursuant to paragraphs 2(a) to (f) above and, if appropriate, within such period despatch Warrant certificates (at the risk of the persons entitled thereto) to the holders in respect of any additional Warrants.

(h) If a holder shall become entitled to exercise his subscription rights pursuant to paragraph 3(g) below, the Exercise Price payable on such exercise (but not otherwise) shall be reduced by an amount determined by the Financial Advisers in accordance with the following formula:

A = (B + C) - D

where:

A = the reduction in the Exercise Price;

B = the Exercise Price which would, but for the provisions of this paragraph 2(h), be applicable (subject to any adjustments previously made pursuant to paragraphs 2(a) to (f) above) if the subscription rights were exercisable on the date on which the Company shall become aware as provided in paragraph 3(g) below;

C = the average of the middle market quotations (as derived from AIM) for one Warrant for the 10 consecutive AIM dealing days ending on the dealing day immediately preceding the date of the announcement of the offer referred to in paragraph 3(g) below (or, where such offer is a revised offer, the original offer) or, if applicable and earlier, the date of the first announcement of the intention to make such offer or original offer or of the possibility of the same being made; and

D = the average of the middle market quotations (as derived from AIM) for one Share for the 10 consecutive AIM dealing days referred to in the definition of C above,

provided that:

(i) the Exercise Price shall not be reduced so as to cause the Company to be obliged to issue Shares at a discount to nominal value and, if the application of the above formula would, in the absence of this sub-paragraph 2(h)(i), have reduced the Exercise Price to below the nominal value of a Share, the number of Shares to be subscribed pursuant to paragraph 3(g) below shall be adjusted in such manner as the Financial Advisers shall report to be appropriate to achieve the same economic result for the holders of the Warrants as if the Exercise Price had been reduced without regard to this sub-paragraph 2(h)(i);

(ii) the Exercise Price shall not be reduced where the value of D exceeds the aggregate value of B and C in the above formula.

The notice required to be given by the Company under paragraph 3(g) below shall give details of any reduction in the Exercise Price pursuant to this paragraph 2(h).

(i) For the purpose of determining whether paragraph 3(i) below shall apply and, accordingly, whether each holder of a Warrant is to be treated as if his subscription rights had been exercisable and had been exercised as therein provided, the Exercise Price which would have been payable on such exercise shall be reduced by an amount determined by the Financial Advisers in accordance with the following formula:

A = (B + C) - D

where:

A = the reduction in the Exercise Price;

B = the Exercise Price which would, but for the provisions of this paragraph 2(i), be applicable (subject to any adjustments previously made pursuant to paragraphs 2(a) to (f) above) if the subscription rights were exercisable immediately before the date on which the order referred to in paragraph 2(j) below shall be made or on which the effective resolution referred to in that paragraph shall be passed (as the case may be);

C =the average of the middle market quotations (as derived from AIM) for one Warrant for the 10 consecutive AIM dealing days ending on the dealing day immediately preceding the date of the presentation of the petition for such order or of the notice convening the meeting at which such resolution shall be passed (as the case may be) or, if applicable and earlier, the date of the first announcement of the presentation of such petition or the convening of such meeting (as the case may be) or that the same is proposed; and

D = the amount (as determined by the Financial Advisers) of the surplus available for distribution in respect of each Share, taking into account for this purpose the Shares which would arise on exercise of all the subscription rights and the Exercise Price which would be payable on the exercise of such subscription rights (subject to any adjustments previously made pursuant to paragraphs 2(a) to (f) above but ignoring any adjustment to be made pursuant to this paragraph 2(i)).

The provisos set out in paragraph 2(h) above shall apply *mutatis mutandis* to any adjustment made in accordance with this paragraph 2(i).

(j) Notwithstanding the provisions of sub-paragraphs 2(a) to (i) above, in any circumstances where the Directors shall consider that an adjustment to the Exercise Price provided for under the said provisions should not be made or should be calculated on a different basis or that an adjustment to the Exercise Price should be made notwithstanding that no such adjustment is required under the said provisions or that an adjustment should take effect on a different date or with a different time from that provided for under the said provisions, the Company may appoint the Financial Advisers to consider whether for any reason whatever the adjustment to be made (or the absence of adjustment) would or might not fairly and appropriately reflect the relative interests of the persons affected thereby and, if the Financial Advisers shall consider this to be the case, the adjustment shall be modified or nullified, or another adjustment made instead, or no adjustment made, in such manner (including without limitation, making an adjustment calculated on a different basis) and/or to take effect from such other date and/or time as shall be reported by the Financial Advisers to be in their opinion appropriate.

3 Other provisions

So long as any subscription rights remain exercisable:

(a) the Company shall not (except with the sanction of a special resolution of the holders of Warrants, being a resolution requiring a majority of not less than three-fourths of the votes cast at a duly convened meeting of the holders of the Warrants (a **Special Resolution**)):

(i) make any distribution of profits or capital reserves except by means of a capitalisation issue in the form of fully paid Shares issued to the holders of its Shares or except on the winding up of the Company;

(ii) issue securities by way of capitalisation of profits or reserves except fully paid Shares issued to the holders of its Shares; or

(iii) on or by reference to a record date falling within the period of six weeks ending on the Exercise Date, make any such allotment as is referred to in paragraph 2(b) above or any such offer or invitation as is referred to in paragraph 2(c) above (except by extending to the holders of the Warrants any such offer or invitation as may be made by a third party);

(b) the Company shall not (except with the sanction of a Special Resolution) in any way modify the rights attached to its existing Shares as a class, or create or issue any new class of equity share capital except for shares which carry, as compared with the rights attached to the existing Shares, rights which are not more advantageous as regards voting, dividend or return of capital (save as to the date from which such shares shall rank for dividends or distributions), provided that nothing herein shall restrict the right of the Company to increase, consolidate or sub-divide its share capital or to issue further Shares which carry, as compared with the rights attached to the existing Shares, rights which are not more advantageous as regards voting, dividend or return of capital;

(c) the Company shall not issue any Shares credited as fully paid by way of capitalisation of profits or reserves nor make any such offer as is referred to in paragraph 2(c) above if, in either case, the Company would on any subsequent exercise of the Warrants be obliged to issue Shares at a discount to nominal value;

(d) the Company shall keep available for issue sufficient authorised but unissued share capital to satisfy in full all subscription rights remaining exercisable;

(e) the Company shall not (except with the sanction of a Special Resolution or for a reduction not involving any payment to Shareholders) reduce any of its share capital or any uncalled or unpaid liability in respect of any of its share capital;

(f) except in circumstances where paragraph 2(c) above applies or except with the sanction of a Special Resolution, the Company shall not grant (or offer or agree to grant) any option in respect of, or create any rights of subscription for, or conversion into, Shares if the price per Share at which any such option or right is exercisable is lower than the Exercise Price;

(g) subject as provided in paragraph 3(h) below, if at any time an offer is made to all holders of Shares (or all such holders other than the offeror and/or any company controlled by the offeror and/or persons acting in concert with the offeror) to acquire the whole or any part of the issued ordinary share capital of the Company and the Company becomes aware on or before the Exercise Date that as a result of such offer (or as a result of such offer and any other offer made by the offeror) the right to cast a majority of the votes which may ordinarily be cast on a poll at a general meeting of the Company has or will become vested in the offeror and/or such companies or persons as aforesaid, the Company shall give notice to the holders of the Warrants of such vesting within 14 days of its becoming so aware, and each such holder shall be entitled, at any time within the period of 30 days immediately following the date of such notice, to exercise his subscription rights on the terms (subject to any adjustments previously made pursuant to paragraphs 2(a) to (f) and subject to paragraph 2(h) above) on which the same could have been exercised if they had been exercisable and had been exercised on the date on which the Company shall have become aware as aforesaid;

(h) if under any offer as referred to in paragraph 3(g) above the consideration shall consist solely of the issue of ordinary shares of the offeror and the offeror shall make available an offer of warrants to subscribe for ordinary shares in the offeror in exchange for the Warrants, which offer the financial advisers to the Company (acting as experts and not as arbitrators) shall consider to be fair and reasonable (having regard to the terms of the offer and to the terms of paragraph 2(h) and any other circumstances which may appear to such financial advisers to be relevant), then a holder of Warrants shall not have the right to exercise his subscription rights on the basis referred to in paragraph 3(g) above and, subject to the offer as referred to in paragraph 3(g) above becoming or being declared wholly unconditional and the offeror being in a position to acquire compulsorily the whole of the then issued ordinary share capital of the Company not already owned by it, and/or any company controlled by it and/or any persons acting in concert with it, any Director shall be irrevocably authorised as attorney for the holders of the Warrants who have not accepted the offer of warrants to subscribe for ordinary shares in the offeror in exchange for the Warrants:

    (i) to execute a transfer thereof in favour of the offeror in consideration of the issue of warrants to subscribe for ordinary shares in the offeror as aforesaid, whereupon all the Warrants shall lapse; and

    (ii) to do all such acts and things as may be necessary or appropriate in connection therewith;

(i) if an order is made or an effective resolution is passed for winding up the Company (except for the purpose of reconstruction, amalgamation or unitisation on terms sanctioned by a special resolution) each holder of a Warrant shall (if in such winding up, on the basis that all subscription rights then unexercised had been exercised in full and the Exercise Price therefor had been received in full by the Company, there shall be a surplus available for distribution amongst the holders of the Shares, including for this purpose the Shares which would arise on exercise of all the subscription rights (taking into account any adjustments previously made pursuant to paragraphs 2(a) to (f) above and subject to paragraph 2(h) above), which surplus would, on such basis, exceed in respect of each Share a sum equal to the Exercise Price) be treated as if immediately before the date of such order or resolution (as the case may be) his subscription rights had been exercisable and had been exercised in full on the terms (subject to any adjustments previously made pursuant to paragraphs 2(a) to (f) above and subject to paragraph 2(h) above) on which the same could have been exercised if they had been exercisable immediately before the date of such order or resolution (as the case may be), and shall accordingly be entitled to receive out of the assets available in the winding up *pari passu* with the holders of the Shares, such a sum as he would have received had he been the holder of the Shares to which he would have become entitled by virtue of such subscription after deducting a sum per Share equal to the Exercise Price (subject to any adjustments previously made pursuant to paragraphs 2(a) to (f) above and subject to paragraph 2(h) above). Subject to the foregoing, all subscription rights shall lapse on winding up of the Company; and

(j) Notwithstanding the above provisions of this paragraph 3, a qualifying "C" share issue (as defined below) shall not constitute an alteration or abrogation of the rights attached to the Warrants (and shall not require the sanction of a Special Resolution) even though it may involve modification of the rights attached to the existing Shares or the creation or issue of a new class of equity share capital if the Directors are of the opinion (having regard to all the circumstances) that such issue should not have any material dilutive effect on the fully diluted net asset value attributable to each Share. For this purpose, a "**qualifying "C" share issue**" means an issue by the Company of shares which will, within one year of the date of issue thereof, be converted into Shares ranking *pari passu* in all respects with the Shares then in issue (other than, if the case requires, as regards dividends or other distributions declared, paid or made in respect of the financial year in which the conversion takes place) and may include the issue in connection therewith of warrants (whether on the same terms and conditions as the Warrants or otherwise) and any matters reasonably incidental to the process by which such shares are converted into Shares, including but not limited to the creation, issue, sub-division, consolidation, redesignation, purchase, redemption or cancellation of any share capital of the Company, including share capital with preferred or deferred rights.

4 Modification of rights

Subject to the existing rights of the holders of Shares, all or any of the rights for the time being attached to the Warrants and all or any of these terms and conditions may from time to time (whether or not the Company is being wound up) be altered or abrogated with the sanction of a Special Resolution. All the provisions of the Company's Articles for the time being as to general meetings shall apply *mutatis mutandis* as though the Warrants were a class of shares forming part of the capital of the Company, but so that:

(a) the necessary quorum shall be the requisite number of holders (present in person or by proxy) entitled to subscribe one-third in nominal amount of the Shares attributable to such outstanding Warrants;

(b) every holder of a Warrant present in person at any such meeting shall be entitled on a show of hands to one vote and every such holder present in person or by proxy shall be entitled on a poll to one vote for each Share for which he is entitled to subscribe;

(c) any holder of a Warrant present in person or by proxy may demand or join in demanding a poll; and

(d) if at any adjourned meeting a quorum as above defined is not present, the holder or holders of Warrants then present in person or by proxy shall be a quorum.

Any such alteration or abrogation approved as aforesaid shall be effected by deed poll executed by the Company and expressed to be supplemental to the Warrant Instrument. Modifications to the Warrant Instrument which are of a formal, minor or technical nature, or made to correct a manifest error or to provide additional methods of transferring and/or exercising Uncertificated Warrants, and which do not adversely affect the interests of the holders of the Warrants, may be effected without the sanction of a Special Resolution by deed poll executed by the Company and expressed to be supplemental to the Warrant Instrument and notice of such alteration or abrogation or modification shall be given by the Company to the holders of the Warrants.

5 Purchase

The Company and its subsidiaries shall have the right to purchase Warrants in the market, by tender or by private treaty or otherwise, and the Company may accept the surrender of Warrants at any time but:

(a) such purchases will be made in accordance with the rules of any stock exchange on which the Warrants are traded; and

(b) if such purchases are by tender, such tender will be available to all holders of Warrants alike.

All Warrants so purchased or surrendered shall forthwith be cancelled and shall not be available for re-issue or resale.

6 Transfer

Each Warrant will be in registered form and will be freely transferable by instrument of transfer in any usual or common form, or in any other form which may be approved by the Directors, including by means of a Relevant Electronic System in the case of Uncertificated Warrants. No transfer of a right to subscribe for a fraction of a Share may be effected.

7 General

(a) The Company will, concurrently with the issue of the same to the registered holders of the Shares, send to each registered holder of a Warrant (or, in the case of joint holders, to the first-named) a copy of each published annual report and accounts of the Company (or such abbreviated or summary financial statement sent to holders of Shares in lieu thereof), together with all documents required by law to be annexed thereto, and a copy of every other statement, notice or circular issued by the Company to holders of Shares.

(b) Subject as otherwise provided in these terms and conditions, the provisions of the Articles for the time being of the Company relating to notice of meetings, untraced members, lost certificates and the registration, transfer and transmission of Shares shall apply *mutatis mutandis* to the Warrants as if they were Shares.

(c) Any determination or adjustment made pursuant to these terms and conditions by the Financial Advisers shall be made by them as experts and not as arbitrators and any such determination or adjustment made by them shall be final and binding on The Company, its shareholders and each holder of Warrants.

(d) Any reference in these terms and conditions to a statutory provision shall include that provision as from time to time modified or re-enacted.

8 Warrants in uncertificated form

(a) Nothing herein shall impose any obligation on the Company to procure that the Warrants are capable of being held in uncertificated form. However, if at any time there are Uncertificated Warrants or an application has been made by the Company and not withdrawn for Warrants to be held in uncertificated form to the operator of a Relevant Electronic System, then no provision of these conditions (or any term of issue of the Warrants) shall apply or have effect to the extent that it is in any respect inconsistent with (i) the holding of the Warrants in uncertificated form, (ii) the transfer of title to the Warrants by means of a Relevant Electronic System, or (iii) the Regulations.

(b) Subject to the generality of paragraph 8(a) above, and notwithstanding any provision of the Articles deemed to apply to the Warrants, the register of Warrantholders shall be maintained at all times outside the United Kingdom, the Warrants may be changed from uncertificated to certificated form and from certificated to uncertificated form, in accordance with and subject as provided in the Regulations, and, for the avoidance of doubt, reference to a Warrantholder refers to a holder of the Warrants in either certificated or uncertificated form.

(c) Notwithstanding paragraph 8(e) below, and for the avoidance of doubt, the conditions and subscription rights applicable to the Uncertificated Warrants from time to time shall remain so applicable notwithstanding that they are not endorsed on any Warrant certificate, and the Company shall, on the request of any holder of Uncertificated Warrants, provide that holder with a schedule of the conditions and subscription rights attaching to the Warrants (the "Schedule of Conditions") but so that joint holders of such Warrants shall be entitled to receive one copy only of the Schedule of Conditions in respect of the Warrants held by them, which copy shall be delivered to that one of the joint holders whose name stands first in the register of Warrantholders in respect of that holding.

(d) A properly authenticated dematerialised instruction given in accordance with the Regulations and any rules of the relevant system operated pursuant to the Regulations shall be given effect to in accordance with its terms;

(e) These terms and conditions may be amended by the Directors to reflect changes made to, and continued compliance with, the Regulations.

(f) In this Part VI (Terms and Conditions of the Warrants):

(i) unless the context otherwise requires, words or expressions defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755) (the **Regulations**) bear the same meanings as in the Regulations;

(ii) a reference to Shares or Warrants being in "**uncertificated form**" means Shares or Warrants the title to which is recorded in the relevant register as being held in such form and which by virtue of the Regulations may be transferred by means of a Relevant Electronic System;

(iii) whether any Warrant is in certificated form or uncertificated form on any date shall be determined by reference to the register of Warrantholders as at the close of business on the relevant date or such other time as the Board may (subject to the facilities and requirements of the Relevant Electronic System concerned) in their absolute discretion determine; and

(iv) "**Uncertificated Warrant**" means any Warrant which, as at the relevant date concerned, is held in uncertificated form, whether as a Depositary Interest or otherwise.

PART VII
TAXATION

1 TAXATION

1.1 GENERAL

The comments below are of a general and non-exhaustive nature based on the Directors' understanding of the current revenue law and practice in Vietnam, United Kingdom and the Cayman Islands, which is subject to change. The following summary does not therefore constitute legal or tax advice and applies only to persons who are both legal and beneficial owners of Shares and who hold their Shares as an investment (other than under a personal equity plan or individual savings account). The following summary does not apply to persons such as market makers, brokers, dealers, pension funds, insurance companies, collective investment schemes, intermediaries and persons connected with depository arrangements or clearance services, to whom special rules may apply.

An investment in the Company involves a number of complex tax considerations. Changes in tax legislation in any of the countries in which the Company will have investments or in the Cayman Islands (or in any other country in which a subsidiary of the Company through which investments are made, is located), changes in the tax legislation of any country in which an investor is resident or domiciled or is a national of, or changes in tax treaties negotiated by those countries, could adversely affect the returns from the Company to investors.

Prospective investors should consult their professional advisors on the potential tax consequences of subscribing for, purchasing, holding, selling or otherwise disposing of Shares under the laws of their country and/or state of citizenship, domicile or residence.

1.2 CAYMAN ISLANDS

The government of the Cayman Islands, will not, under existing legislation, impose any income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax upon the Company or the Shareholders. The Cayman Islands are not party to any double taxation treaties. The Company has applied for and has received an undertaking from the Governor-in-Cabinet of the Cayman Islands that, in accordance with section 6 of the Tax Concessions Law (1999 Revision) of the Cayman Islands, for a period of 20 years from the date of the undertaking, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable (i) on the shares, debentures or other obligations of the Company or (ii) by way of the withholding in whole or in part of a payment of dividend or other distribution of income or capital by the Company to its members or a payment of principal or interest or other sums due under a debenture or other obligation of the Company.

Currently no stamp duty will be levied in the Cayman Islands on the issue or transfer of the Ordinary Shares. The only government charge currently payable by the Company in the Cayman Islands is an annual charge to be calculated on the nominal value of the authorised share capital of the Company. At current rates, this will not exceed $3,010 in any one year.

1.3 VIETNAM

(a) **The Company**

Under the current Vietnam tax regulations, the Company would likely be classified as a foreign investment fund established under the laws of a foreign country. The Company's presence in Vietnam would only be via its investments which are not of themselves indicative of a permanent establishment. The permanent establishment status may vary depending on changes in the Company's operational structure or the tax regulations. The Company and the Investment Manager intend to conduct their affairs so that the

Company is not deemed to have a permanent establishment in Vietnam. However, due to tax regulatory uncertainties, if the Company is deemed to carry out investment through a permanent establishment in Vietnam, or deemed to be otherwise engaged in a trade or business in Vietnam, income attributable to or effectively connected with such permanent establishment, trade or business may be subject to additional Vietnam tax obligations which would likely be imposed at the rate of 25 per cent.

As at the date of this prospectus the following information is uncertain:

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

The implementation and enforcement of tax regulations in Vietnam can vary depending on numerous factors, including the identity of the tax authority involved. The administration of laws and regulations by government agencies may be subject to considerable discretion, and in many areas, the legal framework is not always clear, contradictory and subject to interpretation.

On the basis that the Company is a foreign legal entity without a permanent establishment in Vietnam, the Company should not be liable for Vietnamese taxes on its income derived outside Vietnam or capital gains derived from the sale or other disposal of its non-Vietnamese investments.

(b) **Investee Companies – Corporate Income Tax**

As from 1 January 2009, under the Law on Corporate Income Tax No. 14/2009/QH12, Vietnamese corporate income tax rates were adjusted to a "standard" rate of 25 per cent (subject to the possibility of various lower incentive rates depending on the category into which an enterprise falls or the investment location) for both foreign-invested companies and domestic Vietnamese companies.

(c) **Investee Companies – Profit Remittance Tax**

As from 1 January 2004, the profits/dividends withholding tax was abolished. Therefore, the Company will not be subject to any further withholding taxes on dividend distributions from Vietnamese companies in whose shares it invests.

(d) **Capital Gains/Capital Assignment Tax ("CAT")**

The Vietnam tax regulations make a distinction between assigning "capital" and a "securities transfer". Particularly:

- The assignment of stocks of "public joint stock companies" in accordance with the Vietnam Law on Securities shall be considered as a securities transfer for applying tax regulations on securities transfer. The definition of "public joint stock companies" is explained below.
- The assignment of stocks of non-public joint stock companies shall be considered a capital transfer for applying tax regulations on capital assignments.

Under the Vietnam Law on Securities, a public company means a joint stock (shareholding) company which belongs to one of the following three categories:

(i) A company which has made a public offer of shares;

(ii) A company which has shares listed on the Stock Exchange or a Securities Trading Centre;

(iii) A company which has shares owned by at least one hundred (100) investors excluding professional securities investors, and which has paid-up charter capital of ten (10) billion Vietnamese dong or more.

In respect of the definition above, the Vietnam Law on Securities does not clearly state whether they are Vietnamese Stock Exchange or Securities Trading Centres. However, it is generally understood that the scope of the Vietnam Law on Securities is intended to address the Vietnamese securities market only (i.e. Vietnamese Stock Exchange or Securities Trading Centre).

The above distinction is crucial for foreign organisations doing business in Vietnam under neither the Vietnam Law on Investment, nor the Vietnam Law on Enterprise, due to the following reasons:

- If the Company has invested in public shares and income arises from a transfer of securities, the Company shall be subject to Foreign Contractor Tax ("**FCT**") in accordance with the FCT regulations. As the Company should not have a permanent establishment in Vietnam, the Company's securities transfer activities should be subject to the deemed taxation method being 0.1 per cent of the value of the sale transaction (except for tax-free bonds). No relief is allowed for transaction costs, and no allowance is taken for the cost of investments (i.e. this is a tax on proceeds rather than realised profits).

- If the Company has invested in non-public shares it should be treated as having capital assignment activities. The Company should be subject to CAT at 25 per cent on any gain derived from the capital assignment in accordance with the corporate income tax regulations.

(e) **Value Added Tax ("VAT")**

VAT is an indirect tax which applies to the supply of goods and services in Vietnam. The current VAT regulations which applied with effect from 1 January 2009 provide that income gained from either a capital assignment or transfer of securities, including whole/partial transfers of investment capital, securities transfer and other forms of capital transfer in accordance with the regulations, are not subject to VAT.

Therefore, the securities trading activities of the Company in Vietnam should not be subject to VAT.

(f) **Taxes on Dividends**

The Vietnam tax regulations have confirmed that dividends (or distributions of profit after tax) of an entity in Vietnam paid directly to foreign corporate investors shall not be subject to withholding tax. Dividends received by both local and foreign individuals are subject to personal income tax at 5 per cent on the dividends received.

1.4 **UNITED KINGDOM**

(a) **Introduction**

The following statements are based upon current UK tax law and what is understood to be the current practice of HMRC, both of which are subject to change, possibly with retrospective effect. The statements are intended only as a general guide and may not apply to certain Shareholders, such as dealers in securities, insurance companies, collective investment schemes or Shareholders who have (or are deemed to have) acquired their shares by virtue of an office or employment, who may be subject to special rules. They apply only to Shareholders resident and ordinarily resident for UK tax purposes in the UK (except in so far as express reference is made to the treatment of non-UK residents), who hold Shares as an investment rather than trading stock and who are the absolute beneficial owners of those Shares.

The information contained in this Prospectus relating to taxation matters is a summary of the taxation matters which the Directors consider should be brought to the attention of Shareholders and is based upon the law and practice currently in force and is subject to changes therein. All Shareholders, and in particular those who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the UK, should consult their own professional advisers on the potential tax consequences of holding, transferring or otherwise disposing of Warrants or exercising the subscription rights granted by the Warrants under the laws of their country and/or state of citizenship, domicile or residence.

(b) **The Company**

It is the intention of the Directors to conduct the affairs of the Company so that, for United Kingdom corporation tax purposes, it will not be regarded as resident in the United Kingdom, nor as carrying on a trade through a permanent establishment located in the United Kingdom. On that basis, and on the assumption that it has no UK source income, the Company will have no liability in respect of United Kingdom corporation tax on its income or capital gains.

(c) **Shareholders**

For the purposes of United Kingdom capital gains tax and corporation tax on chargeable gains (CGT), the receipt of the Warrants arising from the Bonus Issue may give rise to a deemed part disposal of the Shareholder's existing Shares for the purposes of UK capital gains tax and UK corporation tax. Shareholders who are resident or ordinarily resident in the UK for tax purposes are advised to consult their own independent professional tax advisors.

On the exercise of the Warrants, the Shares issued pursuant to the exercise of the Warrants will be treated as the same asset as the Warrants that have been exercised.

(i) **Taxation of capital gains**

Individual Shareholders who are resident or ordinarily resident in the UK for tax purposes will generally be subject to capital gains tax at a flat rate of 18 per cent for basic rate taxpayers and 28 per cent for higher and additional rate taxpayers in respect of any gain arising on a disposal or deemed disposal of their Shares or Warrants. No indexation allowance will be available to such Shareholders. However, each individual has an annual exemption, such that capital gains tax is chargeable only on gains arising from all sources during the tax year in excess of this figure. The annual exemption is £10,600 for the tax year 2012-2013.

Shareholders who are individuals and who are temporarily non-resident in the UK may, under anti-avoidance legislation, still be liable to UK tax on any capital gain realised (subject to any available exemption or relief).

Corporate Shareholders who are resident in the UK for tax purposes will generally be subject to corporation tax on chargeable gains arising on a disposal of their Shares. The indexation allowance may reduce the amount of chargeable gain that is subject to corporation tax but may not create or increase any allowable loss.

Capital losses realised on a disposal of Shares or Warrants must be set as far as possible against chargeable gains for the same tax year (or accounting period in the case of a Corporate Shareholder), even if this reduces an individual Shareholder's total gain below the annual exemption. Any balance of losses is carried forward without time limit and set off against net chargeable gains (that is, after deducting the annual exemption) in the earliest later tax year. Losses cannot generally be carried back, with the exception of losses accruing to an individual Shareholder in the year of his death.

(ii) **Taxation of dividends**

Shareholders who are resident in the UK for taxation purposes may, depending on their circumstances, be liable to UK income tax or corporation tax in respect of dividends paid by the Company.

UK resident or ordinarily resident individual Shareholders who are additional rate taxpayers will be liable to income tax at 42.5 per cent., higher rate taxpayers will be liable to income tax at 32.5 per cent. and other individual taxpayers will be liable to income tax at 10 per cent. A tax credit equal to 10 per cent. of the gross dividend (also equal to one-ninth of the cash dividend received) should be available to set off against a Shareholder’s total income tax liability. The effect of the tax credit is that a basic rate taxpayer will have no further tax to pay however a higher rate taxpayer will have to account for additional tax equal to 22.5 per cent. of the gross dividend (which also equals 25 per cent. of the net dividend received) and an additional rate taxpayer will have to account for additional tax equal to 32.5 per cent. of the gross dividend (or 36.11 per cent. of the cash dividend received). The tax credit will not be available for any individual who owns (together with connected persons) 10 per cent. or more of the class of issued share capital of the Company in respect of which the dividend is made.

A UK resident corporate Shareholder will be liable to UK corporation tax (currently 26 per cent. reducing to 24 per cent with effect from 1 April 2012) unless the dividend falls within one of the exempt classes set out in Part 9A of the Corporation Tax Act 2009. It is likely that dividends will fall within one of such exempt classes but Shareholders within the charge to UK corporation tax are advised to consult their independent professional tax advisers to determine whether dividends received will be subject to UK corporation tax.

UK resident or ordinarily resident Shareholders who are exempt from UK tax (for example, pension funds and charities) will not be liable to UK income tax on dividends received from the Company.

(d) **Stamp duty and stamp duty reserve tax**

No United Kingdom stamp duty or SDRT will arise on the issue of the Warrants or any Shares. Generally no United Kingdom stamp duty or SDRT is payable on a transfer of or agreement to transfer Shares or Warrants executed outside the United Kingdom provided that the document effecting the transfer is not brought into the United Kingdom, the Warrants and Shares are not registered in any register of the Company kept in the United Kingdom and they are not paired with shares issued by a UK Company.

No United Kingdom stamp duty or SDRT will arise on the issue of the Depositary Interests. Transfers of Depositary Interests will be subject to SDRT at the rate of 0.5 per cent. unless the conditions for SDRT exemption in the Stamp Duty Reserve Tax (UK Depositary Interests in Foreign Securities) Regulations 1999 are met. These conditions will not be met whilst the only listing for the Warrants is AIM.

No United Kingdom stamp duty or SDRT will arise on transfers of credits representing Depositary Interests through the Euroclear and Clearstream settlement systems provided that the credits representing the Depositary Interests are not registered in any register kept in the United Kingdom.

(e) **ISAs**

Neither the Shares nor the Warrants will be eligible to be held in a stocks and shares ISA.

(f) **Self-Invested Personal Pensions (SIPPs)**

The Shares and the Warrants should constitute permitted investments for SIPPs.

1.5 **Other Jurisdictions**

Prospective purchasers of Shares that are resident or domiciled in, or nationals of jurisdictions other than Vietnam or the United Kingdom should consult their own professional tax advisors as to the tax consequences of the purchase, ownership and disposition of Shares.

Any person who is in any doubt as to his tax position should consult his professional advisors.

PART VIII
GENERAL INFORMATION

1 Responsibility

The Company and the Directors, whose names and functions appear on page 24 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information.

2 The Company and the Manager

2.1 Incorporation

(a) The Company was incorporated with limited liability and registered in the Cayman Islands as an exempted company under the Companies Law on 20 April 2006 with number CD-166182.

(b) The Company operates under the Companies Law and regulations made thereunder.

(c) The Company's main activity is that of an investment company. As a closed-end investment company, the Company is not regulated as a mutual fund in the Cayman Islands and is not otherwise subject to regulatory review in its place of incorporation.

(d) As a company whose Shares are admitted to trading on AIM, the Company is subject to the AIM Rules.

(e) The Company's Shares are also admitted to trading on the Entry Standard in Frankfurt.

(f) The registered office of the Company is at Fourth Floor, Zephyr House, 122 Mary Street, PO Box 709 GT, Grand Cayman, Cayman Islands (Telephone No.+(345) 949 4544).

(g) The Company's accounting periods terminate on 30 June of each year, the latest such period having ended on 30 June 2011.

(h) The liability of the Shareholders of the Company is limited.

2.2 Principal activities of the Company

The Memorandum of Association of the Company provides that the objects of the Company are unrestricted and the Company shall have full power to carry out any object not prohibited or limited by the Companies Law. The Companies Law does not prohibit the Company from acting as an investment company.

2.3 The Investment Manager

The Investment Manager was incorporated as a Company limited by shares in the British Virgin Islands on 1 February 2006 with registered number 1008630. The Investment Manager operates under the International Business Companies Act (Cap. 291) 1984 of the British Virgin Islands. The registered office of the Investment Manager is at the offices of Aleman, Cordero, Galindo & Lee Trust (BVI) Limited, P.O. Box 3175, Road Town, Tortola, British Virgin Islands (tel: +4144 213 6515). The Investment Manager is not regulated in the British Virgin Islands or elsewhere.

3 Share capital

The following table shows the authorised and issued share capital of the Company as at 31 December 2011 (being the last date in respect of which the Company has published financial information) and as at 18 May 2012 (being the latest practicable date prior to the publication of this document):

	31 December 2011		*18 May 2012*	
	Nominal Value ($)	*Number of Ordinary Shares*	*Nominal Value ($)*	*Number of Ordinary Shares*
Issued share capital (fully paid)	54,582,112	54,582,112	54,582,112	54,582,112
Authorised share capital	100,000,000	100,000,000	100,000,000	100,000,000

The Shares are created under and governed by the laws of the Cayman Islands. The Shares are in registered form, are issued in certificated form and may be settled through the Euroclear and Clearstream settlement systems. Save for the proposed Bonus Issue described in this document, no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option.

4 Memorandum and Articles of Association

The Memorandum of Association and the Existing Articles contain, inter alia, material provisions as summarised in paragraphs 4.1 and 4.2 below.

4.1 Memorandum of Association

The Memorandum provides that the objects of the Company are unrestricted and the Company has full power to carry out any object not prohibited or limited by the Companies Law. The Companies Law does not prohibit the Company from acting as an investment company.

4.2 Articles of Association

The Articles contain provisions, inter alia, to the following effect:

(a) Voting Rights

At a general meeting on a show of hands, every Shareholder of record present in person (or in the case of a corporation by its duly authorised representative) shall have one vote and on a poll every Shareholder of record present in person (or by its representative as aforesaid) or by proxy shall have one vote for each Share registered in his/her/its name in the register of Shareholders.

(b) Dividends

The Board may from time to time declare any such dividends to the holders of Shares as appear to the Board to be appropriate, save that no dividend may be declared or paid other than from funds lawfully available for distribution. All dividends are declared and paid according to the amounts paid-up on the Shares.

(c) Winding-Up

If the Company is wound-up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by applicable law, divide amongst the Shareholders *in specie* or in-kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for such purpose set such value as s/he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders. The liquidator may with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributors as the liquidator, with the like sanction, shall think fit, but so that no Shareholder shall be compelled to accept any assets, shares or other securities whereon there is any liability.

(d) Transfers of Shares; Compulsory Transfer and Restrictions on Transfer

(i) Shares may be transferred by a form of transfer in any usual or common form or in any other form which the Board may approve, which form shall be signed by the transferor and, if so requested by the Directors, the transferee, and the transferor is deemed to remain the holder of a Share until the name of the transferee is entered in the register in respect of that share. The Board is not required to register transfers of Shares which do not comply with certain formalities.

(ii) The Directors have the power to impose such restrictions (including restrictions on transfers) as they may think necessary for the purpose of ensuring that no Shares in the Company are acquired or held by any unauthorised persons, or in breach of the requirements of any country or governmental authority. In particular, without the specific consent of the Board, Shares may not be transferred to US Persons which may result in more than 10% of the Company's issued share capital being held at any one time by a single US Person unless the Board otherwise agrees.

(iii) The Board may at its discretion give its consent generally to certain categories of offers, sales or transfers of Shares to specific categories of persons and may impose as a condition of such consents the receipt of certifications from the purchasers or subscribers or transferors or transferees (or any of them) as to their status, and in particular as to whether they are a US Person.

(iv) The Board may upon a transfer of Shares or at any other time or from time to time require such evidence to be furnished to it in this connection as it, in its discretion, deems sufficient, and in default of such evidence being furnished to its satisfaction, the Board may require the transfer of such Shares to a person who is qualified or entitled to own the Shares and would not, if the Shares were transferred to him, be a "Non-Qualifying Person" (as set out in paragraph (v) below).

(v) The Company has the right to require by notice the transfer of Shares held, directly, indirectly or beneficially, by any person in breach of any law or requirement of any country or governmental authority (a Non-Qualifying Person) such that, in the opinion of the Board, the tax status or residence of the Company is or may be prejudiced, or the Company may suffer any pecuniary or other disadvantage (including any excise tax, penalties or liabilities under ERISA) or the Company would be required to comply with any registration, filing or other material administrative requirements in any jurisdiction, with which it would not otherwise be required to comply, or may result in the assets of the Company being deemed to be "plan assets" for the purposes of ERISA, or may require the registration of the Company as an "investment company" under the Investment Company Act, or any other material administrative or other disadvantage to the Company or its Shareholders may ensue. The Board may direct the Non-Qualifying Person to transfer his/her/its Shares to a person who is qualified to hold them and would not by reason of a transfer become non-qualifying. Until such transfer is effected, the holder of such Shares will not be entitled to any rights or privileges attaching to such Shares. If the required transfer is not effected within 30 days after service of a notice to do so and the person directed to transfer his/her/its Shares has not established to the satisfaction of the Board (whose judgment shall be final and binding) that s/he/it is not a Non-Qualifying Person, the Shares concerned may be compulsorily redeemed or sold by the Company on behalf of the holder of such Shares. The redemption or sale price will be the Net Asset Value per Share as at the Valuation Day last preceding the date of transfer or redemption (as the case may be).

(vi) In order to give effect to the foregoing restrictions, the Company may, at any time, require certification or other evidence from any transferee of Shares as to whether such transferee is or is not (or is or is not acquiring the Shares for the account or benefit of) (a) a US Person, or (b) a person holding or beneficially owning Shares (or other securities of the Company) comprising 10% or more of the outstanding voting securities of the Company in circumstances where the beneficial ownership of such Shares or securities could be attributed to the holders of that person's outstanding securities under the provisions of Section 3(c)(1)(A) of the Investment Company Act, or (c) acquiring the Shares with a view to offering or selling such Shares within the United States or to US Persons.

(vii) A person who, by reason of any restriction is not qualified to acquire or ceases to be qualified to hold all or any of his/her/its Shares or who becomes aware that s/he/it is holding or owning Shares in breach of any law of any country or governmental authority or by virtue of any such law s/he/it is not qualified to hold such Shares, or that such holding will, or is likely to, cause a pecuniary, tax, legal, regulatory or material administrative disadvantage to the Company or to any Shareholder, must transfer such Shares to a person who is not prohibited or otherwise disqualified from holding such Shares.

(viii) The Company may at any time and from time to time call upon any holder of Shares to provide such information and evidence as it shall require upon any matter connected with, or in relation to, such holder of Shares. If such information and evidence is not provided within 14 days, the Company may treat such person as a Non-Qualifying Person and apply the transfer provisions applicable to a Non-Qualifying Person.

(ix) The Directors may either (i) compulsorily redeem, or require the transfer of any shares in issue; or (ii) decline to register any transfer of shares if the holding of the shares by such holder of the shares or transferee of the shares would, in the conclusive determination of the Directors, cause a pecuniary, tax, legal, regulatory or material administrative disadvantage to the Company or its Shareholders as a whole in any jurisdiction.

(x) The registration of transfer may be suspended at such time and for such periods as the Company may from time to time determine.

(e) Redemption of Shares

(i) Subject to relevant provisions of Cayman Islands' law and the Articles, the Company may from time to time by not less than 30 calendar days' notice to the Shareholders redeem all or any portion of the Shares held by the Shareholders at the redemption price denominated in Dollars and calculated in accordance with paragraph (ii) below from any funds legally available therefor, including from capital, on, inter alia, the following terms:

(A) on any redemption the Company will have the power to divide in-kind the whole or any part of the assets of the Company and appropriate such assets in satisfaction or part satisfaction of the redemption price;

(B) the redemption of Shares will be made in the Company's absolute discretion, and shall apply to all holders of Shares pro rata to the number of Shares comprised in their shareholdings;

(C) upon redemption, each holder of Shares who/which has been issued a Share certificate will lodge with the Company or its authorised agent a duly endorsed certificate for the Shares to be redeemed and subject to sub-paragraph (E) below no payment of redemption proceeds will be made until such duly endorsed certificate has been received;

(D) on redemption of part only of the Shares comprised in a certificate (if any has been issued), the Company will procure that a balance certificate in respect of the Shares not redeemed will be sent free of charge to the relevant holder or as that holder shall direct;

(E) the Company may at its option dispense with the production of any certificate which has been lost or destroyed upon compliance by the holder of Shares with the same requirements as apply in the case of an application by him for replacement of a lost or destroyed certificate under the Articles; and

(F) any amount payable to a holder of Shares in connection with the redemption of his/her/its Shares will be paid in Dollars and will be posted at the holder's risk by or on behalf of the Company to the holder not later than 30 calendar days after the effective date of the redemption, provided that the Company may delay payment of redemption proceeds beyond such period if settlement of sales or other realization of securities on any stock market is delayed or suspended, or any necessary conversion or transfer of funds is delayed for any reason beyond the control of the Company. Alternatively, redemption proceeds may be paid by distribution in-kind of all or part of a Shareholder's pro-rata portion of a portfolio investment made by the Company, where the Shareholder so elects and the Company consider this to be appropriate and feasible. Any such distribution in-kind shall be on terms determined by the Company.

(f) The redemption price for each Share redeemed pursuant to (i) above is calculated by:

(i) ascertaining the value of the net assets of the Company in Dollars for this purpose under the Articles as at the most recent Valuation Day;

(ii) deducting therefrom such sum as the Company in its absolute discretion may consider represents an appropriate allowance for duties and charges in relation to the realization of all the investments held by the Company on the relevant Valuation Day on the assumption that such investments had been realised on that Valuation Day;

(iii) adjusting the net asset value determined under paragraphs (A) and (B) above to reflect the actual cost of converting any amount if necessary into Dollars at such rate of exchange as the Company may in its absolute determination consider appropriate in all the circumstances at any time prior to payment of the redemption price. The certificate of the Company as to the conversion rate applicable (which may take account of the costs of conversion) will, in the absence of manifest error, be conclusive and binding on all persons;

(iv) dividing the amount so calculated by the number of Shares then in issue; and

(v) adjusting the resulting sum downwards to the nearest whole cent (the amount necessary to effect such downward adjustment being payable to the Company for its absolute use and benefit).

(g) Holders of Shares have no right to require their Shares to be redeemed by the Company.

4.3 **Purchase of Shares**

The Company may purchase its own Shares either to be held as treasury shares or cancelled provided that:

(a) the maximum number of Shares authorised to be acquired is 10 per cent of the Company's Shares in issue at the date of the EGM;

(b) the maximum price which may be paid for any Share is a price which is less than the latest published Net Asset Value per Share at the time of the repurchase; and

(c) any such repurchase shall be made in accordance with all applicable laws and regulations at the time of the repurchase.

4.4 **Alteration of Share Capital**

(a) The Company may by Ordinary Resolution (unless an amendment to the Memorandum or the Articles is required, in which case a Special Resolution will be required) increase its share capital, consolidate or divide all or any of its share capital into Shares of a larger amount than its existing Shares, cancel any Shares not taken by any person at the date of the passing of the resolution (and diminish the amount of its authorised share capital by the amount of the Shares so cancelled), sub-divide its Shares or any of them into Shares of a smaller amount or divide its Shares into several classes with different rights and/or restrictions, including as to dividends, distributions or voting.

(b) Subject to the provisions of the laws of the Cayman Islands, the Company may by Special Resolution reduce its share capital, any capital redemption reserve fund or any share premium account.

4.5 **Variation of Rights**

If at any time the capital of the Company is divided into different classes of shares, all or any of the rights for the time being attached to any class of shares for the time being issued (unless otherwise provided by the terms of the issue of the shares of that class) may, subject to the provisions of the Companies Law, be varied or abrogated either with the consent in writing of the holders of not less than 3/4th in nominal value of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of such shares.

4.6 **General Meetings**

(a) The Company holds a general meeting in each year as its annual general meeting in addition to any other general meeting in that year and specifies the meeting as such in the notices calling it. The annual general meeting is held at such time and place as the Board may appoint. Not more than 15 months may elapse between the date of one annual general meeting and that of the next. All general meetings other than annual general meetings are called extraordinary general meetings.

(b) The Board may whenever it thinks fit, and it shall on the requisition of Shareholders pursuant to the provisions of the Companies Law, proceed to convene a general meeting of the Company in accordance with the requirements of the Companies Law.

(c) At least 21 days' notice in writing is given of an annual general meeting and, subject to the provisions of the Companies Law relating to special resolutions, 7 days' notice in writing or such longer period as the Board shall determine is given of any extraordinary general meeting. Every notice is (i) exclusive of the day on which it is served or deemed to be served but inclusive of the day on which it is given, and (ii) specifies the time, place and agenda of the meeting and in the case of special business, the general nature of that business and particulars of the resolutions to be considered thereat, and (iii) is given in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company provided that a general meeting of the Company shall be deemed to have been duly convened if it is so agreed:

(i) in the case of a general meeting called as an annual general meeting, by all the Shareholders entitled to attend and vote thereat or their proxies; and

(ii) in the case of an extraordinary general meeting, by a majority in number of the Shareholders having a right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the Shares giving that right.

(d) No business may be transacted at any general meeting unless a quorum of Shareholders is present at the time when the meeting proceeds to business; 2 Shareholders present in person or by proxy and entitled to attend and vote shall be a quorum provided always that (a) if the Company has only one Shareholder of record the quorum is that one Shareholder present in person or by proxy and (b) no Special Resolution is passed at any meeting unless Shareholders holding or representing not less than 25% of the issued Shares entitled to attend and vote (or any class thereof) are present in person or by proxy. The absence of a quorum does not preclude the appointment, choice or election of a chairperson which is not treated as part of the business of the meeting.

(e) If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Shareholders, is dissolved and in any other case it stands adjourned to the same day in the next week at the same time and place or to such other time or such other place as the Board may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the Shareholders present shall be a quorum.

(f) The chairperson, if any, of the Board presides as chairperson at every general meeting of the Company, or if there is no such chairperson, or if s/he is not present within 15 minutes after the time appointed for the holding of the meeting, or is unwilling to act, the Directors present shall elect one of their number to be chairperson of the meeting.

(g) If at any general meeting no Director is willing to act as chairperson or if no Director is present within 15 minutes after the time appointed for holding the meeting, the Shareholders present shall choose one of their number to be chairperson of the meeting.

(h) The chairperson may, with the consent of any general meeting duly constituted hereunder, and must if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a general meeting is adjourned for 3 months or more, notice of the adjourned meeting is given as in the case of an original meeting; save as aforesaid it is not necessary to give any notice of an adjournment or of the business to be transacted at an adjourned general meeting.

(i) At any general meeting a resolution put to the vote of the meeting is decided on a show of hands unless, (before or on the declaration of the result of the show of hands, or on the withdrawal of any other demand for a poll), a poll is duly demanded. A poll may be demanded by:

(i) the chairperson of the meeting; or

(ii) at least 3 Shareholders present in person or by proxy and entitled to vote; or

(iii) any Shareholder or Shareholders present in person or by proxy and representing in the aggregate not less than 1/10th of the total voting rights of all Shareholders having the right to attend and vote at the meeting; or

(iv) any Shareholder or Shareholders present in person or by proxy and holding Shares conferring a right to attend and vote at the meeting on which there have been paid-up sums in the aggregate equal to not less than 1/10th of the total sum paid-up on all Shares conferring that right.

(j) Unless a poll be so demanded, a declaration by the chairperson that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Company's minute book containing the minutes of the proceedings of the meeting is conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favor of or against such resolution.

(k) In the case of an equality of votes, whether on a show of hands or on a poll, the chairperson of the general meeting at which the show of hands takes place or at which the poll is demanded, is entitled to a second or casting vote.

4.7 **Directors**

(a) The number of Directors may not be less than 2 or exceed 7 and they are appointed as follows:

(i) 3 Directors have been appointed by the Shareholders. These Directors will serve in office until the next occurring annual general meeting of the Company. Each of the Directors may submit himself/herself for re-election at the next occurring annual general meeting of the Company. The re-elected Director or his/her replacement will hold office until the next annual general meeting of the Company. If a Director resigns prior to any annual general meeting, the remaining Directors may appoint a replacement to serve until the next annual general meeting.

(ii) The Board is entitled to appoint and remove 2 additional independent, non-executive Directors on the recommendation of 2 Shareholders who hold large numbers of Shares, as determined by the Board.

(b) All Directors have the same right to vote at meetings of the Board. Questions arising at any meeting are decided by a majority of votes of the Directors present at a meeting at which there is a quorum. In case of an equality of votes, the chairperson has a second or casting vote.

(c) There is no shareholding qualification for Directors. Nor is there any requirement that a Director retire at any particular age unless otherwise required by applicable law.

(d) The quorum necessary for the transaction of the business of the Board is fixed by the Board and unless so fixed is 3. An alternate Director or proxy appointed by a Director is counted in a quorum at a meeting at which the Director appointing him is not present.

(e) The remuneration of each Director is determined by the Board subject to a maximum aggregate amount of $350,000 per annum being paid to the members of the Board as a whole, and such limit may only be increased by Ordinary Resolution. The Directors are also paid all reasonable travelling, hotel and other expenses properly incurred by them in going to, attending and returning from meetings of the Board or any committee of the Board or general meetings of the Company or in connection with the performance of their duties as Directors.

(f) Save as otherwise provided by the Articles, a Director is not entitled to vote on (and s/he will not be counted in the quorum in relation to) any resolution of the Board in respect of any contract or arrangement in which s/he is to his/her knowledge materially interested and, if s/he does so, his/her vote will not be counted, but this prohibition does not apply to any of the following matters namely:

(i) the giving of any security or indemnity either:

(A) to the Director in respect of money lent or obligations incurred or undertaken by him/her at the request of or for the benefit of the Company or any of its subsidiaries; or

(B) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director has himself/herself assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

(ii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director is or is to be interested as a participant in the underwriting or sub-underwriting of the offer;

(A) any proposal concerning any other company in which the Director is interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director is beneficially interested in shares of that company;

(B) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries, including:

(1) the adoption, modification or operation of any employees' share scheme or any incentive or share option scheme under which s/he may benefit; or

(2) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to directors and employees of the Company or any of its subsidiaries and does not provide in respect of any Director as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and

(C) any contract or arrangement in which the Director is interested in the same manner as other holders of Shares or debentures or other securities of the Company by virtue only of his/her interest in Shares or debentures or other securities of the Company.

(iii) The Company may by Ordinary Resolution (a) suspend or relax the restrictions in the Articles on Directors' interests, including those described above, to any extent or (b) ratify any transaction not duly authorised by reason of a contravention of the restrictions in the Articles on Directors' interests, including those described above.

(iv) The Board may from time to time and by resolution delegate such of their powers as they consider appropriate to a committee consisting of some of the Directors.

(v) Each Director has the power to appoint any person to be his/her alternate Director.

(vi) Every Director and officer for the time being of the Company and their representatives, heirs, executors, administrators, personal representatives or successors or assigns will, in the absence of fraud, negligence or willful default, be indemnified and held harmless out of the assets and funds of the Company against all actions, proceedings, costs, charges, expenses, including travelling expenses, losses, damages or liabilities, which any such Director or officer may incur or for which s/he may become liable in respect of or by reason of any contract entered into or act or thing done by him/her as such officer or servant, or in any way in discharge of his/her duties and the amount for which such indemnity is provided will immediately attach as a lien on the property of the Company and have priority as between the Shareholders over all other claims. No such Director or officer will be liable or answerable (i) for the acts, receipts, neglects, defaults or omissions of any other Director or officer, or (ii) for joining in any receipt for money not received by him/her personally or other act for conformity, or (iii) for any loss on account of defect of title to any property of the Company, or (iv) on account of the insufficiency of any security in or upon which any of the assets of the Company is invested or for any loss of any of the assets of the Company which is invested, or (v) for any loss incurred through any bank, broker or other agent, or (vi) for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any assets, securities or effects are deposited, or (vii) for any loss occasioned by any negligence, default, breach of duty, breach of trust, error of judgment or oversight on his/her part, or (viii) for any loss, damage or misfortune whatsoever which may happen in or arise from the execution or discharge of the duties, powers, authorities, or discretions of his/her office or in relation thereto unless the same happens through his/her own fraud or willful default.

4.8 Borrowing powers

The Board may exercise all the powers of the Company to raise or borrow or to secure the payment of any sum or sums of money for the purposes of the Company and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party, provided that no borrowing may be incurred which would cause the aggregate amount of all moneys borrowed by the Company (including the amount of any loan capital and debentures) to exceed an amount representing 25% of the latest available Net Asset Value of the Company at the time of the borrowing unless the Shareholders in general meeting otherwise determine by Ordinary Resolution. All guarantees or indemnities that expose the Company to a contingent liability must be signed by a Director pursuant to a duly authorised resolution of the Board in order to be valid.

4.9 Issue of Shares

Subject to the provisions of the Articles and to any direction that may be given by the Company in general meeting, the Board may allot, issue, grant options over or otherwise dispose of Shares of the Company to such persons, at such times and for such consideration and on such terms and conditions as they think proper.

4.10 Pre-Emption rights

There is no provision of Cayman Islands law which confer rights of pre-emption upon the issue or sale of any Shares in the Company.

4.11 Disclosure Requirements

There are no provisions in the Articles or Cayman Islands law requiring the disclosure of shareholdings in the Company by the Company or otherwise.

5 Compulsory Acquisition rules relating to the Shares

Where a scheme or contract involving the transfer of shares or any class of shares in a company to another company has, within four months after the making of the offer, been approved by the holders of not less than ninety per cent in value of the shares, the transferee company may give notice to any dissenting shareholder that it desires to acquire his/her shares. In the absence of a court order to the contrary, the transferee company is entitled and bound to acquire those shares on the terms set out in the relevant scheme or contract in accordance with the Companies Law.

6 Valuation policy

Investments are recorded at fair value. The fair value of the securities is based on their quoted bid price at the balance sheet date without any deduction for transaction costs.

If the securities are not listed, the value of the relevant securities is ascertained by the Board of Directors in good faith using valuation methods which it considers fair in the circumstances including quotes received from brokers and other third party sources where possible.

The Net Asset Value and the Net Asset Value per Share is determined by the Administrator in accordance with the Articles and information supplied to it by or on behalf of the Company as at the close of business in the last relevant market to close on each Valuation Day. The Net Asset Value per Share is determined by dividing the Net Asset Value by the number of Ordinary

Shares issued and outstanding at the time of calculation and rounding up to three decimal places. The Auditors audit the financial statements and the Net Asset Value on an annual basis.

The Net Asset Value is expressed in US Dollars. For the purpose of establishing a US Dollars Net Asset Value at any particular Valuation Date, any assets and liabilities denominated in a currency other than US Dollars will be converted in accordance with the principles expressed in IFRS and on the basis that US Dollars is the functional currency of the Company.

The Company's Net Asset Value is established in accordance with IFRS and, in relation to investments made by the Company, in accordance with the specific provisions of IAS 39. The Company will, where permitted by IAS 39, designate all its debt and equity investments as financial assets at fair value through profit or loss.

Specifically:

(a) Listed securities are valued at their last traded prices at the last official close of the Vietnam Stock Exchange on the relevant Valuation Day.

(b) Investments in unlisted securities for which an active OTC Market exists are stated at fair value based upon price quotations received from at least two independent brokers.

(c) Other unlisted securities are valued at fair value using a valuation technique determined by the Directors and in accordance with IAS 39.

The liabilities of the Company are deemed to include, among other things, such provisions and allowances for contingencies as the Board may from time to time consider appropriate and in accordance with IFRS.

For the purpose of ascertaining quoted, listed, traded or market dealing prices, the Administrator is entitled to use and rely upon mechanised and/or electronic systems of valuation dissemination with regard to valuation of investments of the Company and the prices provided by any such system are deemed to be the last traded prices for the purpose of paragraph (a) above.

The Net Asset Value per Share is published monthly through a Regulatory Information Service Provider as soon as practicable after the end of the relevant month.

The Investment Manager is obliged to immediately notify AIM if there is any suspension in the calculation of the Net Asset Value. Where possible, all reasonable steps would be taken to bring any period of suspension to an end as soon as possible.

The Company may suspend the calculation of NAV:

1. when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Company, disposal of investments is not reasonably practicable without materially and adversely affecting and prejudicing the interests of Shareholders, or if, in the opinion of the Company, a fair price cannot be calculated for a significant number of the assets of the Company;

2. when any stock exchange or over-the-counter market on which any significant portion of the investments of the Company is listed, quoted, traded or dealt in is closed or trading on any such stock exchange or market is restricted or suspended;

3. in the case of a breakdown of the means of communication normally used for the valuing of any investment or if for any reason the value of any investment may not be determined as rapidly and accurately as required;

4. if, as a result of exchange restrictions or other restrictions affecting the transfer of funds, transactions are rendered impracticable, or if purchases, sales, deposits and withdrawals of investment cannot be effected at the normal rates of exchange; or

5. when, in the opinion of the Board, a significant proportion (which is likely to exceed five per cent.) of the assets of the Company cannot be valued on an equitable basis.

7 Borrowing

The Company is permitted to borrow money and to grant security over its assets. However, the Articles limit such borrowings to 25% of the latest available Net Asset Value of the Company at the time of the borrowing unless the Shareholders in general meeting otherwise determine by Ordinary Resolution of the Shareholders. All guarantees or indemnities that expose the Company to a contingent liability must be signed by a Director pursuant to a duly authorized resolution of the Board in order to be valid.

As at the date hereof, the Company has no borrowings.

The Directors do not anticipate the Company taking on any debt or incurring any further contingent liability in the near future.

8 Interests of directors, major shareholders and related party transactions

8.1 Directors' interests

As at 18 May 2012 (being the latest practicable date before the publication of this document), the Directors had a beneficial interest in the following number of Shares and will, if the Bonus Issue is approved, have a beneficial interest in the following number of Warrrants:

Name	Number of Shares	% of issued share capital	Number of Warrants to be issued under the Bonus Issue
Min-Hwa Hu Kupfer	20,000	0.04	6,666
Nguyen Quoc Khanh	0	N/A	N/A
Professor Rolf Dubs	0	N/A	N/A

Save as disclosed in paragraph 8.1 above, immediately following Admission, no Director will have any interest, whether beneficial or non-beneficial, in the share or loan capital of the Company.

8.2 Directors' contracts with the Company

None of the Directors provides his services to the Company pursuant to a service contract with the Company. Their appointments are subject to the terms of their letters of appointment.

Min-Hwa Hu Kupfer has been engaged by the Company as a non-executive director since commencement in that office in May 2006.

Nguyen Quoc Khanh has been engaged by the Company as a non-executive director since commencement in that office in May 2006.

Professor Rolf Dubs has been engaged by the Company as a non-executive director since commencement in that office in May 2006.

(a) The Board determines the fees payable to each Director, subject to a maximum aggregate amount of US$350,000 per annum being paid to the Board as a whole. The Company will also pay reasonable expenses incurred by the Directors in the conduct of the Company's business including travel and other expenses. The Company pays for directors and officers liability insurance coverage.

(b) The charges for the year for the Directors fees were US$153,500 and expenses were US$122,587.

(c) The Directors were not paid any amount of remuneration by way of benefits in kind, pension contributions and any contingent or deferred compensation by the Company for their services in all capacities to the Company. Accordingly, there are no amounts set aside or accrued by the Company to provide pension, retirement or similar benefits to the Directors.

(d) The Company has not made any loans to the Directors which are outstanding, nor has it ever provided any guarantees for the benefit of any Director or the Directors collectively.

8.3 **Other interests**

Over the five years preceding the date hereof, the Directors have held the following directorships (apart from their directorships of the Company) and/or partnerships:

Nguyen Quoc Khanh

(a) Lesco Resort Limited (1998 to present)

(b) Van Yen Limited

(c) Kim Long Private

(d) Leighton Asia Limited (2009 to present)

(e) East West Seeds Vietnam Limited (2007 to 2010)

Professor Rolf Dubs

(a) ARAG Insurance, Dusseldorf (2008 to present)

(b) Ospelt Holding, Schaan (FL) (2009 to present)

(c) Hochalpines Institut Ftan (2003 to present)

(d) Underberg AG, Rheinberg (1983 to present)

(e) Hoffman Neopac AG, Thun (1984 to present)

None of the Directors has any conflict of interest between any duties to the Company and to his private interest or to any other duties.

8.4 In the five year period prior to the date of this document none of the Directors:

(a) had any convictions in relation to fraudulent offences;

(b) were associated with any bankruptcies, receiverships or liquidations of any partnership or company through acting in the capacity as a member of the administrative, management or supervisory body or as a partner, founder or senior manager of such partnership or company; and

(c) received any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and have not been disqualified by a court from acting as a member of the administration, management of supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.

8.5 **Major shareholders**

(a) As at 18 May 2012 (being the latest practicable date before publication of this document) insofar as known to the Company, the following parties had declared a notifiable interest in the Company's voting rights under the Disclosure and Transparency Rules):

Name of Shareholder	Percentage of securities held	Number of securities held	Total number of securities in issue
Clearstream Banking S.A.	40.53%	22,120,414	54,582,112
Citivic Nominees	59.47%	32,461,698	54,582,112

The two major shareholders on the register are nominees for all accountholders in the Clearstream and Euroclear settlement systems and represent the entire issued share capital of the Company.

(b) All Shareholders have the same voting rights in respect of the share capital of the Company.

(c) The Company and the Directors are not aware of any person, who directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

(d) The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.

8.6 **Related party transactions**

(a) Other than as described in paragraph (b) below, the Company has not entered into any related party transaction (as defined by International Financial Reporting Standards) during the three financial years to 30 June 2009, 2010 and 2011 or during the period 1 July 2011 to 18 May 2012 (being the latest practicable date before publication of this document).

(b) The Company is party to the Management Agreement with the Investment Manager, which is summarised in paragraph 11.1 of this Part VII of this document. The Company has also paid each of the Directors fees during the relevant period.

(c) As at June 30, 2011, Min-Hwa Hu Kupfer held 20,000 (30.06.10: 20,000) ordinary shares of the Company representing 0.04% of the total shares outstanding

8.7 **Other material interests**

The Company is receiving legal and financial advice from Norton Rose LLP and Oriel Securities respectively, in addition to certain administrative services from third parties in connection with the Bonus Issue. The legal and financial advisers act for many other clients, including others in the investment funds sector and, on occasion, the professional advisers may face conflicts of interest as a result of acting both for the Company and such other clients. In the event of a conflict of interest, the legal and financial advisers will take such reasonable steps to ensure it is resolved fairly.

None of the directors has any conflict of interest between any duties to the Company and his private interests and any other duties. The Manager, the Secretary, their respective directors, officers, employees, agents and affiliates and the Directors and any person or company with whom they are affiliated or by whom they are employed (each an Interested Party) may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Company. In particular, Interested Parties may provide services similar to those provided to the Company to other entities and shall not be liable to account for any profit from any such services. For example, an Interested Party may acquire on behalf of a client an investment in which the Company may invest.

9 Share options and share scheme arrangements

Subject to the rights attaching to the Bonus Issue, no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option.

10 Material contracts

The following contracts, not being entered into in the ordinary course of business, have been entered into by the Company since incorporation and are, or may be, material:

10.1 The Investment Management Agreement

Pursuant to the terms of the Investment Management Agreement, the Investment Manager was appointed to provide a continuous investment program for the Company's assets, including seeking suitable investments for the Company, advising and supporting in relation to the development of investments held by the Company, seeking ways in which the Company might dispose of its investments, and the provision of investment research and advice with respect to all securities and investments and cash equivalents comprised in the Company's assets, and of certain other services to the Company under the terms of that agreement. Subject to the overall control and direction of the Board, the Investment Manager determines which securities and other investments will be purchased, retained or sold by the Company and places all sale and purchase orders on behalf of the Company. In the performance of its obligations under the Investment Management Agreement, the Investment Manager has undertaken to act honestly and in the best interests of the Company, to exercise the care, diligence and skill which a reasonably prudent investment manager would exercise in the circumstances, to comply with the laws and regulations in force from time to time in Vietnam and with the investment objectives, policies and restrictions for the time being and from time to time of the Company as established by the Directors and made known to the Investment Manager, and with the Articles, and the Investment Manager is required to have regard to:

(a) any restrictions set out in this document or any subsequent listing particulars or equivalent document; and

(b) any other matter to which a prudent discretionary investment portfolio manager should reasonably pay regard in the proper discharge of its duties.

The Investment Manager has made no representation or warranty as to the performance of the Company or the success of any investment strategy recommended or used by the Investment Manager. The Investment Management Agreement contains provisions pursuant to which the Company agrees not to make claims against the Investment Manager or any of its directors, officers, agents or employees, and to indemnify such persons against any claims which may be made against them by third parties and against any costs, losses or expenses which any of them may incur, as a result of, or in connection with the provision by or on behalf of the Investment Manager of services under the Investment Management Agreement, except to the extent that the same is directly attributable to the gross negligence, willful default or fraud of the Investment Manager or any of its directors, officers, agents or employees. The Investment Management Agreement may be terminated by the Company, without being required to pay any termination fee to the Investment Manager, by giving notice in writing to the Investment Manager if (i) a petition is presented for the winding-up of the Investment Manager (except in respect of a voluntary winding-up for the purpose of a reconstruction or amalgamation upon terms previously approved in writing by the Company) and is not discharged within 90 days or if a liquidator is appointed in respect of any of the assets of the Investment Manager or any analogous event occurs or action is taken in any jurisdiction other than the Cayman Islands; or (ii) if the Investment Manager has committed any material breach of its obligations under the Investment Management Agreement and, if such breach shall be capable of remedy, fails within 30 days of receipt of notice requiring it to make good such breach; or (iii) if the Investment Manager is or was fraudulent; or (iv) if the Investment Manager was grossly negligent in the performance of its duties under the Investment Management Agreement and this resulted in a substantial loss being incurred by the Company. The Investment Manager is entitled to retire at any time on giving notice to the Company of the Company commits any material breach of its obligations under the Investment Management Agreement and (if such breach shall be capable of remedy) the Company fails within 30 days of receipt of notice requiring it so to do to make good such breach. In addition to the rights of termination for cause, either party may terminate the Investment Management Agreement without cause at any time, provided however that any such termination may only be effective upon the expiration of not less than 1 year's notice in writing to the other party.

The Investment Manager is entitled to an investment management fee of one twelfth of 2% per annum on the monthly net assets under management. The fee is payable monthly in advance and is calculated by reference to the Net Asset Value of the Company's Ordinary Shares on the most recent Valuation Date. The Investment Manager is reimbursed by the Company for administrative functions that it performs on behalf of the Company.

The Company also pays to the Investment Manager an incentive fee each year at the rate of 20% of the annual increase in net asset value over the higher of an annualized hurdle rate of 5% and a "high water mark" requirement. A previously agreed portion of the Investment Manager's performance bonus which may be no greater than 15% of the total is distributed to the Board.

The total fees accruing to the Investment Manager for the year to June 30, 2011 were US$1,449,229 as a management fee and U$159,500 for administrative support. No performance fee was due as at June 30, 2011.

10.2 The Custody Agreement

Standard Chartered Bank acting through its Singapore branch, acts as Custodian pursuant to the Custody Agreement. The Custodian is a bank incorporated in England with limited liability by Royal Charter. Its head office is in London and it was registered as a branch in Singapore with registration number S16FC0027L on 28 February 1916. The Custodian is regulated by the FSA in the conduct of its custody business.

The Custodian holds all assets of the Company received by the Custodian in accordance with the terms of the Custody Agreement. The Custody Agreement may be terminated by the Company or the Custodian upon 90 days' notice by either party. The Custodian can terminate the agreement by notice taking immediate effect where the Company has failed to pay the fees for three consecutive months, where it becomes unlawful for the Custodian to continue to provide the services or where the Company goes into liquidation or has a receiver (or its equivalent) appointed over any of its assets.

The Custodian may delegate any of its duties under the Custody Agreement, including the safekeeping of assets, to sub-custodians. The Custodian will not provide any other services or perform any other functions, except safekeeping and the usual administrative matters relating to the assets under custody, and will have no other duties or responsibilities relating to the Company; for instance, the Custodian will not provide advisory services or asset management services nor will it monitor investment management activities or investment strategies of the Company. The Custodian will not supervise or control the activities of the Investment Manager or the Administrator. The Custodian does not warrant the contents of the relevant fund-documentation, nor will it be involved in the management, administration or Net Asset Value calculation of the Company.

The Custodian does not act as a sponsor or promoter of the Company. Therefore, the Custodian does not assume any liability for negligence or wilful misconduct of the Investment

Manager or Administrator and potential investors should not rely on the Custodian in deciding whether or not to invest in the Company. The Custodian is however liable to the Company for any direct loss suffered by or occasioned to the Company to the extent that there has been negligence, fraud or wilful misconduct on the part of the Custodian or an affiliated sub-custodian. The Custody Agreement contains an indemnity in favour of the Custodian for claims by third parties except to the extent that the claim arises from the negligence, fraud or wilful misconduct of the Custodian or an affiliated sub-custodian. The Custodian shall have a general lien over the securities held by the Custodian pursuant to the Custodian Agreement until the satisfaction of all the liabilities and obligations of the Company under the Custodian Agreement. The Custodian's obligations and liabilities are only to the Company and only as provided in the Custodian Agreement.

The fees of the Custodian are paid by the Company. The Custodian charges custody fees at rates that are agreed between the Company and the Custodian and are reviewed on an annual basis. The Company is invoiced by the Custodian monthly. The Custodian is entitled to be reimbursed by the Company for all reasonable out-of-pocket expenses.

The Custodian is authorised to act through and hold the Company's investments with sub-custodians. The Custodian will use reasonable care in the selection and appointment of sub-custodians. The applicable sub-custodian who is appointed by the Custodian as at the date of this document and who might be relevant for the purposes of holding the Company's investments is:

Country	Name of Sub-custodian	Regulatory status of sub-custodian
VietNam	Standard Chartered Bank (Vietnam) Limited	State Securities Commission, Vietnam

The Custodian was not involved in preparing, and accepts no responsibility for any information contained in, this Prospectus.

10.3 **The Administration Agreement**

Standard Chartered Bank acting through its Singapore branch, acts as Administrator pursuant to the Administration Agreement. The Administrator is a bank incorporated in England with limited liability by Royal Charter. Its main office is in London and it was registered as a branch in Singapore with registration number S16FC0027L on 28 February 1916.

Pursuant to the terms of the Administration Agreement, the Administrator (or its duly appointed delegate) has agreed to provide certain administrative services and transfer agency services to the Company. The administrative services provided include preparing the annual accounts and reports of the Company and calculating the Net Asset Value per Share of the Company in accordance with information supplied to the Administrator.

In calculating the Net Asset Value per share of the Company, the Administrator shall use prices ascribed to the Company's underlying assets that the Administrator has, in its capacity as the fund administrator, collected or received from (a) an independent financial market data provider available to and used by the Administrator in its capacity as a fund administrator or (b) the Company, the Directors, the Investment Manager or other agents/ parties appointed or nominated by the Company ((a) and (b) together the "Pricing Sources"). The Administrator shall not be liable to the Company, any investor or any other person in respect of any loss suffered from the use of, or reliance by, the Administrator on information provided by Pricing Sources in its calculations. Where a price for an underlying asset is available from more than one Pricing Source, the Administrator may, if so directed by the Company, compare the various prices it has collected or received with respect to the same underlying asset (a "Price Comparison"). With the exception of performing Price Comparisons, the Administrator is not responsible or liable for: (a) verifying any price ascribed by the Pricing Sources to any of the Company's underlying assets, including any illiquid and/or hard-to-value assets; or (b) the accuracy, correctness, completeness, reliability or current state of any price ascribed by a Pricing Source to any of the Company's underlying assets. The Administration Agreement provides that the Administrator is not liable to the Company or any Shareholder for any losses (which include any liability, obligation, claim, demand, action, penalty, proceeding, suit, charge, disbursement, cost (including legal costs), loss, damage or expense of any kind) incurred or suffered by reason of any action of the Administrator in relation to the Administration Agreement, in the absence of gross negligence, wilful default or fraud on the part of the Administrator. In addition, the Company has indemnified the Administrator and its affiliates in connection with any such losses which may be imposed on, incurred by or asserted against the administrator or its affiliates howsoever in connection with the provision of services under the Administration Agreement, other than by reason of the Administrator's gross negligence, wilful default or fraud. The Administrator's obligations and liabilities are only to the Company and only as provided in the Administration Agreement. The Administrator has no regulatory or fiduciary responsibility to the Company and/or any other person(s), in relation to the services provided by the Administrator under the Administration Agreement.

The Administration Agreement will remain in effect unless terminated upon not less than three months written notice by the Company or the Administrator. Either the Company or the Administrator can terminate the Administration Agreement forthwith by notice if, inter alia, the other has committed a material breach of the Administration Agreement and such breach has not been remedied within 30 days after notice requiring the same to be remedied, or if the other goes into liquidation or has a receiver (or its equivalent) appointed over any of its assets. The Administrator can terminate the agreement by notice with immediate effect in circumstances where the Administrator has refused to act in accordance with instructions or perform the services where the Administrator determines in their absolute discretion might constitute a breach of any policy of the Custodian, Standard Chartered Bank plc or any applicable law.

Fees are payable by the Company to the Administrator at such rates as may be agreed in writing between the Company and the Administrator from time to time. The Administrator is entitled to be reimbursed by the Fund for all reasonable out-of-pocket expenses.

The Administrator was not involved in preparing, and accepts no responsibility for any information contained in, this Prospectus.

10.4 The Registered Office and Secretarial Services Agreement

The Registered Office and Secretarial Services Agreement dated 6 June 2006 between the Company and the Secretary pursuant to which the Secretary has agreed to provide certain company secretarial services to the Company and to provide the registered office for the Company. The Registered Office and Secretarial Services Agreement will remain in effect unless terminated upon not less than 3 months' written notice by the Company or the Secretary. Either the Company or the Secretary can terminate the Registered Office and Secretarial Services Agreement on the giving of 30 days' written notice if the other has committed a breach of the agreement which has not been remedied within 30 days after notice requiring the same to be remedied. The Company has agreed to indemnify (on a full indemnity basis) the Secretary, CARD Corporate Services and their respective officers, employees and partners against all liabilities, costs and expenses incurred (other than as arise in the ordinary course of business) in providing services under the Registered Office and Secretarial Services Agreement save where such liability, costs and expenses arise through the fraud, willful default or negligence of the Secretary, CARD Corporate Services or any of their respective officers, employees and partners.

Fees are payable by the Company to the Secretary at an annual fixed fee of US$1,450 for the provision of registered office and secretarial services.

10.5 The Registrar Agreement

The Registrars Agreement, dated 21 May 2012, between the Company and the Registrar under which the Registrar is appointed to act as the Company's registrar. The fees of the Registrar are based on an activity schedule with certain minimum payments agreed by the Company.

The Registrars Agreement contains an indemnity from the Company in favour of the Registrar for any liabilities that the Registrar incurs during the performance of its duties under the agreement. The Registrar's liability to the Company is limited save in certain circumstances.

The Registrars Agreement may be terminated by the Company on six months' notice, such notice to end on an anniversary of the agreement. It may also be terminated by either party with immediate effect at any time upon sending written notice to the other party if a petition is presented for the winding up of such party or for an administration order in relation to such party and is not discharged within 14 days or a receiver is appointed to or execution is levied against all or a substantial part of that party's assets or that party is insolvent or unable to pay its debts or makes or seeks any arrangement or composition with its creditors. It may also be terminated on immediate written notice in the event of a material breach by either party where such breach is not remedied within 45 days of being given notice to do so by the other party.

10.6 The Depositary Agreement

A depositary agreement dated 21 May 2012, between the Company and the Depositary pursuant to which the latter is appointed to constitute and issue from time to time series of uncertificated depositoary interests, each such series representing a particular class of securities issued by the Company, with a view to facilitating the indirect holding of, and settlement of transactions in, such securities of each class concerned by participants in CREST.

Under the Depositary Agreement the Depositary is entitled to certain fees including an initial set up fee of £7,000, an annual registration fee of £2 per depository interest holder (subject to a minimum of £8,000), an annual FSA regulatory reporting charge of £500, certain transfer fees and certain additional fees in respect of optional services. These fees are subject to increase under the terms of the Depositary Agreement. The Depositary is also entitled to such fees as may be agreed from time to time in respect of any corporate actions that the Company requests the Depositary to take and the Depositary agrees to take.

The Depositary Agreement may be terminated by either party giving not less than 45 days' written notice to the other (subject, in the case of termination by the Company, to such notice expiring not earlier than the expiry of an initial period of three years or of each subsequent 12 month period). The Depositary Agreement may also be terminated immediately if one of certain standard events of default occurs or if either party commits an irremediable material breach of the agreement or a material breach which is not remedied within 30 days of the other party giving written notice thereof. The Depositary Agreement may further be terminated by either party giving three months' written notice to the other in the event that the parties do not reach an agreement regarding any increase of fees payable to the Depositary provided for in the agreement. The Depositary Agreement may also be terminated on the expiry of the Warrants in accordance with their terms.

Upon termination of the agreement, the Company shall pay to the Depository fees in respect of all work actually performed and shall reimburse the Depository for all fees, expenses and disbursements incurred including an administrative fee of £5,000, unless the agreement is terminated due to the expiry of the Warrants in accordance with their terms.

The Company has undertaken to indemnify the Depository in respect of any losses, damages, claims, costs and expenses or other liabilities incurred by the Depository by reason of breach of certain warranties or undertakings contained in the Depository Agreement. The Company has further undertaken to indemnify the Depository in respect of any losses, damages, claims, costs and expenses or other liabilities incurred by the Depository by reason of the Depository being treated as an offeror or issuer of securities in connection with the arrangements contemplated under the agreement. The Company also indemnifies the Depository against losses suffered as a result of any claim made against the Depository by any person with an interest in the depository interests created under the Depository Agreement arising out of the Depository's performance of the agreement, save where such loss arises as a result of the negligence, wilful default or fraud of the Depository.

The Depository Agreement is governed by the laws of England..

10.7 Save as detailed above, as at the date of this document there are no other contracts (not being contracts entered into in the ordinary course of business) entered into by the Company since its incorporation which are or may be material or which contain any provision under which the Company has any obligation or entitlement which is material to it as at the date hereof.

11 Corporate governance

As a Cayman Islands incorporated company that is admitted to trading on AIM and with a secondary listing on the Entry Standard of the Deutsche Borse, the Company is not required to, and does not, comply with any particular code of corporate governance.

However, the Directors recognise the importance of sound corporate governance commensurate with the size of the Company and the interests of Shareholders. The Company has adopted a code of ethics. The Directors comply with the AIM Rules, including Rule 21 relating to directors' dealings. The Company has also adopted the a code for directors' dealings in securities of the Company based on the model code annexed to chapter 9 of the Listing Rules.

The Board is responsible for ensuring the appropriate level of corporate governance and, whilst the Company does not comply with either the UK Corporate Governance Code or the AIC Code, it has adopted corporate governance practices that it considers appropriate for a company of its size and activities.

The Board, currently chaired by Min-Hwa Hu Kupfer, consists of three non-executive Directors, all of whom are regarded by the Board as independent of the Manager, including the Chairperson. The Board has also established a corporate governance committee, chaired by Professor Dr. Rolf Dubs, which has terms of reference including the regular review of the Company's corporate governance.

In relation to board practices, the Board does not believe that length of service in itself necessarily disqualifies a Director from seeking re-election but, when making a recommendation, the Board will take into account the good corporate governance practices, including the need to refresh the Board and its committees.

12 Litigation

There have been no governmental, legal or arbitration proceedings (and no such proceedings are pending or threatened of which the Company is aware) in the previous 12 months which may have, or have had in the recent past, significant effects on the Company's financial position or profitability.

13 Significant change

Save for the 25.4% increase in the unaudited value of the Company's net assets from US$59,938,403 million (unaudited) as at 31 December 2011 to US$75,152,516 (unaudited) as at 11 May 2012 (being the latest practicable date prior to the publication of this document) and a corresponding rise in the NAV per Ordinary Share from US$1.098 per Share (unaudited) to US$1.377 per Ordinary Share (unaudited) over the same period, there has been no significant change in the financial or trading position of the Company since 31 December 2011, being the date to which the Company the latest unaudited half-yearly results of the Company were published.

14 Third party information

Where information has been sourced from Bloomberg, LCF Rothschild, the International Monetary Fund, the Asian Development Bank and the financial reports of the Company's top ten investments set out in Part III, the Company confirms that this information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by those third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

15 General

15.1 There are no patents or other intellectual property rights, licenses or particular contracts which are of fundamental importance to the Company's business and profitability.

15.2 The Investment Manager was incorporated as a Company limited by shares in the British Virgin Islands on 1 February 2006 with registered number 1008630. The Investment Manager operates under the International Business Companies Act (Cap. 291) 1984 of the British Virgin Islands. The registered office of the Investment Manager is at the offices of Aleman, Cordero, Galindo & Lee Trust (BVI) Limited, P.O. Box 3175, Road Town, Tortola, British Virgin Islands (tel: +4144 213 6515). The Investment Manager is not regulated in the British Virgin Islands or elsewhere.

15.3 Save as otherwise set out in this document and except for fees payable to the professional advisors whose names are set out on page 24 of this document and for payments made in the ordinary course of business, no person has received fees, securities in the Company or other benefit to a value of £10,000 (or its currency equivalent) whether directly or indirectly, from the Company within the 12 months preceding the application for Admission, or has entered into any contractual arrangement to receive from the Company, directly or indirectly, any such fees, securities or other benefit on of after Admission.

15.4 The Exercise Price represents a premium of $0.196 above the nominal value for a Share.

15.5 Other than the Admission of the Shares on AIM and a secondary quotation on the Entry Standard of the Frankfurt Stock Exchange, the Shares have not been admitted to dealings on any recognised investment exchange nor has any application for such admission been made and it is not intended to make any other arrangements for dealing in the Shares on any such exchange.

15.6 The Nominated Advisor and the Investment Manager have given and not withdrawn their written consent to the issue of this document with the references to their names in the form and context in which they appear.

15.7 The Company's auditors are KPMG LLP in Singapore who were appointed auditors of the Company on 19 March 2012 and remain as such as at the date of this Prospectus. Prior to their appointment, the Company's auditors were KPMG Audit S.à.r.l. 31, Allée Scheffer L-2520 Luxembourg. KPMG Audit S.à.r.l. who acted as auditors to the Company since 6 June 2006.

15.8 The Company does not employ any employees, nor has it since its incorporation, and it does not own any premises.

15.9 Warrant certificates representing the Warrants are expected to be dispatched to Shareholders by post and at their own risk within 10 working days of the date of admission of the Warrants to AIM.

15.10 Share certificates representing the Shares are expected to be dispatched to holders who do not wish to receive their Shares in uncertificated form, by post and at their own risk within 10 working days of the relevant admission date for the Shares.

15.11 Temporary documents of title will not be issued. Pending the dispatch of definitive warrant notes and share certificates (if applicable), instruments of transfers will be certified against the register of Shareholders and register of Warrants of the Company as applicable.

15.12 The Directors have applied for the Warrants to be admitted to trading on AIM with effect from Admission. Accordingly, it is expected that the Warrants will be enabled for settlement in AIM following Admission.

15.13 The Directors, in accordance with the AIM Rules, will at each annual general meeting of the Company continue to seek Shareholder approval of the Company's investing strategy.

16 Costs and Expenses

The costs of the Bonus Issue and the preparation of this Prospectus (including all advisers' fees, printing and other ancillary costs) are expected to be approximately US$500,000 (including VAT), which will be borne by the Company.

17 Auditors

The auditors to the Company for the three financial years ended 31 December 2009, 2010 and 2011 were KPMG Audit S.à.r.l. of 31, Allée Scheffer L-2520 Luxembourg. KPMG LLP in Singapore were appointed as auditors to the Company on 19 March 2012.

18 Documents on display

The following documents will be available for inspection during usual business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Norton Rose LLP, 3 More London Riverside, London SE1 2AQ for so long as this document remains valid:

18.1 this Prospectus;

18.2 the audited accounts of the Company for the financial years ended 2009, 2010, 2011 respectively;

18.3 the letters of appointment referred to in paragraph 9 above; and

18.4 the material contracts referred to in paragraph 11 above.

Dated: 21 May 2012

DEFINITIONS

In this document the words and expressions listed below have the meanings set out opposite them, except where the context otherwise requires:

Administration Agreement	the agreement entered into between the Company and the Administrator dated 18 November 2011
Administrator	Standard Chartered Bank, Singapore Branch
Admission	the admission of the Warrants and the Shares to trading on AIM becoming effective in accordance with the AIM Rules
Admission and Disclosure Standards	the admission and disclosure standards of the London Stock Exchange for securities admitted or seeking to be admitted to trading, as amended from time to time
AGM or Annual General Meeting	annual general meeting of the Company
AIM	the AIM market of the London Stock Exchange
Articles	the articles of association of the Company, as amended from time to time
ASEAN	the Association of South East Asian Nations
Audit Committee	the audit committee duly appointed by the Board
Auditors	KPMG LLP (Singapore) in its capacity as auditors of the Company, or such other accounting firm as shall be appointed as auditors from time to time by the Company
Board	the board of Directors of the Company or any duly constituted committee thereof
Bonus Issue	the issue to Shareholders of Warrants on the basis of 1 Warrant for every 3 Shares held on the Record Date
Business Day	any day on which banks are open for business in London (excluding Saturdays and Sundays)
Chairperson	the chairperson of the Company
Circular	the circular of the Company dated 22 March 2012 containing the Notice of Extraordinary General Meeting
Companies Law	the Companies Law, Cap. 22 (2011 Revision) of the Cayman Islands as amended, modified or re enacted from time to time
Company	VietNam Holding Limited
Corporate Governance Committee	the corporate governance committee duly appointed by the Board
Custodian	Standard Chartered Bank, Singapore Branch

Custody Agreement	the agreement between the Custodian and the Company regarding the custody of the assets of the Company
Depositary	Capita IRG Trustees Limited
Depositary Agreement	the depositary agreement entered into by the Company and the Depositary, further details of which are set out in paragraph 10.6 of Part VIII of this Agreement;
Depositary Interests	the dematerialised depositary interests issued by the Depositary representing the underlying Warrants
Depositary Interests Registrar	Capita Registrars Limited
Directors	the directors of the Company or any duly constituted committee thereof
Disclosure and Transparency Rules	the disclosure rules made by the FSA under Part VI FSMA
Dollar or $ or US$	The lawful currency of the United States
Dong or VND	the lawful currency of Vietnam
EEA	the European Economic Area
EEA State	a member state of the EEA
EGM or Extraordinary General Meeting	the Extraordinary General Meeting of the Company, to be held at Hotel Glaernischhof, Claridenstrasse 30, 8022 Zurich, Switzerland at 4:00 pm on 11 April 2012
ERISA	the United States Employee Retirement Income Security Act of 1974 (as amended)
ESG	Environmental, Social and (Corporate) Governance
Existing Articles	the articles of association of the Company as at the date of this document
FSA	the UK Financial Services Authority
FSMA	the Financial Services and Markets Act 2000
HMRC	HM Revenue & Customs
HNX	Ha Noi Stock Exchange
HoSE	Ho Chi Minh City Stock Exchange
Investee Company	a company or other entity in which the Company has, directly or indirectly, invested
Investment Company Act	means the United States Investment Company Act 1940 (as amended)
Investment Management Agreement	the agreement entered into between the Investment Manager and the Company dated 6 June 2006 (and most recently amended on 30 April 2008)

Investment Manager	VietNam Holding Asset Management Ltd.
Investment Policy	The Company's investment policy adopted by the shareholders on 10 November 2009, as many be amended from time to time
London Stock Exchange	London Stock Exchange plc
Memorandum of Association	the memorandum of association of the Company, as amended from time to time
Net Asset Value or NAV	net asset value as calculated in accordance with the Company's accounting policies and Article 102 of the Articles or the value of the net assets per Share, as the context requires
Ordinary Resolution	a resolution passed by a simple majority of the votes of the Shareholders as, being entitled to do so, vote in person, or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a duly called and held general meeting of the Company or a Written Resolution
OTC Market	informal over-the-counter trading platform where all companies traded are unlisted companies
Overseas Shareholders	Shareholders who are resident in territories outside of the EEA
Prospectus	this document
Prospectus Rules	the rules and regulations made by the FSA under Part V of FSMA (as amended from time to time)
Record Date	25 May 2012
Register	the register of members of the Company and/or the register of warrants of the Company;
Registered Office and Secretarial Services Agreement	the agreement dated 6 June 2006 between CARD Corporate Services Ltd. and the Company
Registrars	Capita
Regulation S	Regulation S under the Securities Act
Regulatory Information Service	a service authorised to release regulatory announcements to the London Stock Exchange
Regulatory Information Service Provider	an entity that provides a Regulatory Information Service
SBV	State Bank of Vietnam
SCIC	State Capital Investment Corporation of Vietnam
Secretary	CARD Corporate Services Ltd

Securities Act	the US Securities Act of 1933, as amended
Share	an ordinary share of US$1.00 each in the capital of the Company with ticker: VNH and ISIN: KYG9361X1043
Shareholder	a holder of Shares of any class
Shareholders	Shareholders whose names are entered on the Register at the close of business on the Record Date
SOE	a State-owned company in Vietnam
Special Resolution	a resolution passed by a majority of not less than three-fourths of the votes of Shareholders as, being entitled so to do, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a duly called and held general meeting of the Company or a Written Resolution
SRI	Socially Responsible Investments
Subscription Price	the price at which the Warrants are exercised
US Person	as defined by Rule 902 of Regulation S under the Securities Act
UK Listing Authority	the Financial Services Authority acting in its capacity as the competent authority for the purposes of the Prospectus Rules.
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
US, USA or United States	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all other areas subject to its jurisdiction
VAT	UK value added tax
Vietnam	the Socialist Republic of Vietnam
Vietnam Sub-Custodian	Standard Chartered Bank (Vietnam) Limited
VNI	Vietnam's stock market index
Warrants	the Warrants over Shares proposed to be issued pursuant to the Bonus Issue, on the terms set out herein;
Written Resolution	resolution in writing by all of the Shareholders entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more such Shareholders; and
WTO	World Trade Organization.