Annual Report 2013

VietNam Holding

In a gradually improving macro-economic and policy environment, the VNH portfolio has once again managed to outperform the market by a substantial margin: from 1 July 2012 to 30 June 2013 the NAV per share increased by 27.3%, compared with the Vietnam Index's 12.3% USD adjusted gain. Since 30 June 2007, when VNH's capital was 80% deployed, the return of NAV per share outperformed the USD adjusted Index by 38.58% cumulatively.

Min-Hwa Hu Kupfer, Chairperson
VietNam Holding Limited

Front and Inside Cover Photographs: Nicholas J. Freeman, Hanoi/Yangon.

Overview

Between June 2007 and June 2013, VNH's Agricultural and Domestic Consumption portfolio sectors outperformed the benchmark VNI by a large margin. They remain the two dominant investment themes and primary focus of our portfolio. The relative concentration of the two varies with both individual stock performance and our rebalancing efforts. As a result, during the past year the Agricultural sector declined from 37% to 31% of the portfolio, while Domestic Consumption holdings increased from 33% to 42% of the portfolio.

Jean-Christophe Ganz, Chairman
VietNam Holding Asset Management Limited

*** Page 8: Special Report on Domestic Consumption in Vietnam ***

Performance

1 July 2012 to 30 June 2013

27.3%
NAV per share

17.3%
VNH share price

- 15% outperformance of Benchmark VNI USD adjusted
- Share price discount to diluted NAV at 19.2%[1]

[1]Assuming that all the remaining 17.9 million VNH warrants are exercised on the final exercise date of 25 September 2013.

Chairperson's Statement

While VNH's share price outperformed the USD adjusted VNI during the full fiscal 2013 period, the most impressive gains were achieved in the last 6 months of the period, during which the VNH share price advanced by 35.5%.

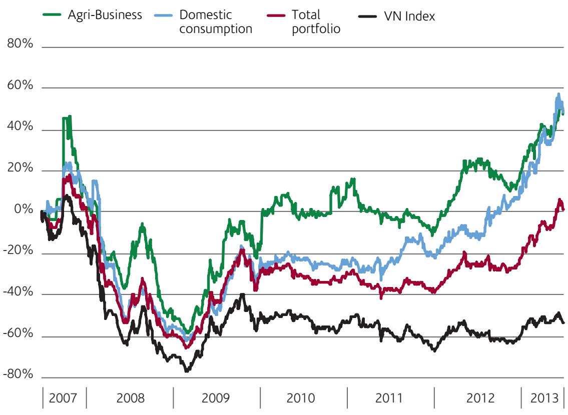
Dear Shareholders,

Over the past year there were a number of encouraging developments in Vietnam's macro-economic profile that have led to a respectable performance by the country's equity markets. The Market and Economic Overview section of this Annual Report provides a more thorough synopsis, but in general we believe that the most recent economic indicators and policy measures are all broadly in conformity with a more sustainable growth pattern for Vietnam.

In this gradually improving macro-economic and policy environment, the VNH portfolio has once again managed to outperform the market by a substantial margin: from 1 July 2012 to 30 June 2013 the NAV per share increased by 27.3%, compared with the Vietnam Index's 12.3% USD adjusted gain. Since 30 June 2007, when VNH's capital was 80% deployed, the return of NAV per share outperformed the USD adjusted Index by 38.58% cumulatively.

This six year record of outperformance is the result of three key factors: the impressive growth in VNH's two main investment themes – Vietnam's thriving agricultural sector and its growing domestic consumption – a rigorous process of portfolio rebalancing based on our value investing disciplines and our commitment to sustainability principles. The impact of our investment themes is reflected in the following chart.

VNH Six Year Performance Components
June 2007 - June 2013



Source: Bloomberg, VNHAM

"This six year record of outperformance is the result of three key factors: the impressive growth in VNH's two main investment themes, a rigorous process of portfolio rebalancing based on our value investing disciplines and our commitment to sustainability principles."

At the end of 2012 the VNH Board approved the implementation of the Investment Manager's proposed portfolio management policy, thereby formalizing certain portfolio diversification and asset allocation rules. The Investment Manager's Report which follows will highlight how the VNH portfolio has undergone a marked transformation over recent months, reinforcing our focus on under-valued small- and mid-cap listed companies. This portfolio re-balancing process also led to a decrease in the number of portfolio companies from 29 at the beginning of the fiscal year to 25 at the end of June, 2013 and a 22% portfolio company turnover for the year.

While VNH's share price outperformed the USD adjusted VNI during the full fiscal 2013 period, the most impressive gains were achieved in the last 6 months of the period, during which the VNH share price advanced by 35.5%.

"We are enthusiastic about the newly structured content of our theme-directed, rebalanced portfolio and the opportunities it presents in a promising market."

Recognizing the importance of lowering the share price discount, VNH continued its share re-purchase program, accumulating a total of 1.14 million shares over the past fiscal year, to be kept in treasury. This represents 2% of the original share capital. In addition, through various established investor relations activities, VNH reached out to investors in Zurich, Geneva, Frankfurt, Munich, London, Edinburgh and Paris. As a result, the 52-week average of the share price discount was reduced from 30% a year ago to 21% at the end of June, 2013.

Another measure to narrow the discount in the long run is the VNH warrants program, which presently has 17,939,357 warrants in issuance with a strike price of $1.196 per share and a final exercise date of 25 September 2013. If successfully converted, the warrants would result in a substantial number of new VNH shares in circulation, potentially improving trading liquidity and hence a possible further reduction of the share price discount.

Our active engagement with existing and prospective investee companies has been a cornerstone of VNH's investment approach from the inception of the fund. This involves regular visits by VNH's directors and the investment team, as well as an on-going dialogue on issues that we deem to be crucial for the respective companies. Ever since our adoption of the principles of sustainable investing, issues concerning the environment, social impact and corporate governance (ESG) topics have been an integral part of this active engagement program. A recent example of this was the case of Dong Phu Rubber (DPR) which came under scrutiny from an international NGO earlier this year for alleged "land grabs" by its parent company in neighboring Cambodia and Laos. After DPR's management displayed little interest in directly engaging with VNH on this matter, our position in the company has been steadily reduced.

There have been some attractive recent developments in Vietnam's equity markets – such as increasing interest in small- and mid-cap stocks by institutional investors and plans to lift the aggregate foreign ownership limits in listed firms. We believe that VNH is well positioned to capture any upside potential arising from these changes.

In addition, we are enthusiastic about the newly structured content of our theme-directed, rebalanced portfolio and the opportunities it presents in a promising market. Our entire team is focused on maximizing the opportunity on NAV and shareholder value growth. As we do so, your interest and investment in our Company continues to be most appreciated.

Min-Hwa Hu Kupfer
Chairperson
VietNam Holding Limited
14 August 2013

Investment Manager's Report

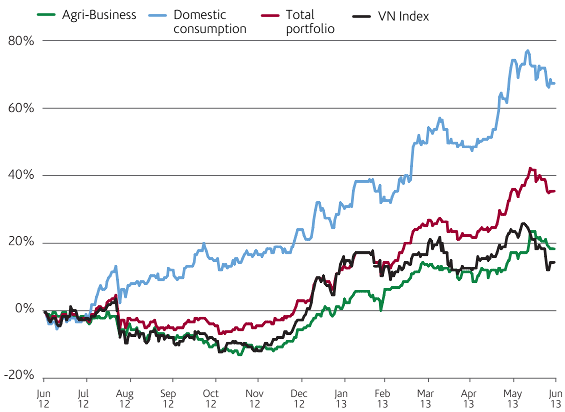
VNH has enjoyed another banner year, with portfolio results clearly outperforming the Vietnam Index.

As noted by Mrs. Kupfer in her preceding letter, VNH has enjoyed another banner year, with portfolio results clearly outperforming the Vietnam Index. This is in no small part due to the continued strong work of our skilled CEO, Mr. Vu Quang Thinh, and his very competent team of specialists. For the second year since joining us, he has led our colleagues through an uncertain market to the achievement of aggressive goals.

In addition to this team orientation and dedication, there were two important factors which contributed to our success: the concentration on our two main investment themes and the successful rebalancing of our portfolio. I would like to elaborate on these factors and on the key decisions behind them.

Between June 2007 and June 2013, VNH's Agricultural and Domestic Consumption portfolio sectors outperformed the benchmark VNI by a large margin. They remain the two dominant investment themes and primary focus of our portfolio. The relative concentration of the two varies with both individual stock performance and our rebalancing efforts. As a result, during the past year the Agricultural sector declined from 37% to 31% of the portfolio, while Domestic Consumption holdings increased from 33% to 42% of the portfolio.

VNH Performance Components
June 2010 - June 2013



Source: Bloomberg, VNHAM

Mrs. Kupfer also stated in her report that VNH's Agriculture and Domestic Consumption portfolios both maintained and increased their impressive accumulated outperformance over the VNI benchmark last year. The substantial outperformance of the VNH portfolio compared to the VNI is primarily due to the impressive performance of the Domestic Consumption theme portfolio. In particular the four pharmaceutical and health care companies, which represent over 20% of our portfolio, had a particularly good year with a weighted average price increase of 71.42% over the past 12 months. On the other hand, for practically all of Vietnam's key agricultural export products the past year was very challenging. By June 2013 rice prices had decreased 9.7% from their peak last year and coffee prices by 6.2%. In addition, natural rubber prices having declined by 20.6% during the year, cashew nuts by 9.5% and pepper by 13.5%. For all these commodities, Vietnam is the largest or second largest global exporter.

> "VNH's Agricultural and Domestic Consumption portfolio remain the two dominant investment themes and primary focus of our portfolio."

This global decline in agricultural commodity prices has left a marked impact on the share performances of most companies in our agricultural portfolio, as shown on the left in the comparative theme performance chart for the past 12 months. Yet, while we have reduced our agricultural exposure during the rebalancing exercise, we are unwavering in our conviction that this theme will continue to offer attractive investment returns for VNH shareholders.

While maintaining this dual sector concentration this year, we undertook an extensive review of the Vietnamese stock market's overall valuation levels as well as that of its main segments. We noticed an increasingly wide valuation gap between the few large companies, which make up 80% of the market capitalization, and the bulk of the companies which represent the remaining 20%. Based on this observation, we rebalanced the VNH portfolio to further emphasize our historic focus on medium sized companies. The rebalancing resulted in an additional VNH portfolio shift from large-cap firms to additional mid-cap investments. This shift is reflected in the table shown on the next page. While a total of 27 firms make up 80% of the Ho Chi Minh City Stock Exchange ("HOSE") USD 11.8 bn free-float, VNH's portfolio

> “Our goal is to be a supportive partner with all of the companies in our portfolio, assisting them with the time and talents of the many years of global experience of the VietNam Holding team.”

contains only 8 out of these 27 large-caps. These 8 companies make up about one-third of VNH's total equity portfolio. The remaining 17 VNH portfolio companies are mid- and small-caps.

HoSe (free-float)*)	Universe	Market Cap $B	Valuation (trail. P/B)
Market	303 companies	11.680	14.00
Large Caps	27 companies (80%)	9.340	14.76
SMEs	276 companies (20%)	2.340	11.58

VNH	Portfolio	Net Asset Value $M	Valuation (trail. P/E)
Total	25 companies	88.198	8.91
Large Caps	8 companies (30%)	26.690	10.96
SMEs	17 companies (66%)	58.179	7.80

Source: Bloomberg and VNHAM. As at 30 June 2013

> “The substantial out-performance of the VNH portfolio compared to the VNI is primarily due to the relatively better performance of the small- and mid-cap firms listed on HOSE compared to their large-cap peers.”

The substantial out-performance of the VNH portfolio compared to the VNI is primarily due to the relatively better performance of the small- and mid-cap firms listed on HOSE compared to their large-cap peers. Our mid- and small-cap-centric portfolio continues to reflect both investment themes.

The valuation gap between the VNH portfolio firms and the comparative HOSE segments is also noteworthy. The weighted average trailing P/E of VNH's large caps is 41% lower, compared to the corresponding HOSE large caps. The VNH mid- and small-caps' weighted average trailing P/E looks even more attractive. It is 46% lower than the P/E of the overall market segment.

These markedly lower valuations attest to VNH's adherence to value investment principles. This value investment approach is further validated by the comparison of the portfolio companies' weighted average 21.16% EPS growth over the past 5 years compared to the overall market's growth rate of just 4.66%.

While focusing our efforts on the continued strong financial performance of the fund and the safe, transparent and professional operation of our Company, we have actively maintained our orientation as a sustainable investor with vigorous inclusion of ESG principles in all of our management and investment decisions. This includes a very effective plan of active engagement with our investee companies, involving staff, management and the Board Members of both VNH and VNHAM. Our goal is to be a supportive partner with all of the companies in our portfolio, assisting them with the time and talents of the many years of global experience of the VietNam Holding team.

We are most thankful to our CEO, Vu Quang Thinh, and his dedicated staff in Vietnam. A special mention is also much deserved by our administrative and investor relations specialists in Zurich, our Advisory Council, and our Board members and Senior Advisor.

The three local members of our Advisory Council continue to provide us with invaluable insights into the current and anticipated economic and political events likely to impact the Vietnam market. Our Swiss advisor has provided important input regarding investor expectations, and has shared valuable and critical suggestions on the structure and presentation of our warrant options plan. We thank them all wholeheartedly.

As has been true from the inception of the fund and this Company, the role of our Board members is vital to our operation and our continued success. We are blessed with directors and a Senior Advisor who bring a wealth of global wisdom and experience to the Company. Without them we simply could not do what we do. They continue to serve in a way that is sincerely appreciated and will never be underestimated.

Jean-Christophe Ganz
Chairman
VietNam Holding Asset Management Limited
14 August 2013

* We have selected the free-float market capitalization rather than the total market capitalization because several so-called large-caps are former state-owned companies, which have been only partially privatized. As an example, the single-largest company listed on HOSE is Petrovietnam Gas (GAS) with a total market capitalization of USD 5.3 bn as of 30 June 2013. However, only 3.3% of this company is held by independent shareholders. Therefore, the difference of the total market capitalization of the VNI of USD 34.8 bn is quite large when compared to the smaller market capitalization of the HOSE free-float of USD 11.8 bn, both as of mid-year 2013.

Market and Economic Overview

The HOSE in Ho Chi Minh City has 301 listed companies, with a combined market capitalization of USD 32.0 billion, while the HNX in Hanoi serves 392 listed companies, cumulatively worth around USD 5.1 billion.

The period from July 2012 to June 2013 saw the government endeavoring to regain control of Vietnam's weakened macro-economic situation. While there have been some positive movements in this regard, it remains a work in progress. Concerns about the fragility of the banking sector, the stalled property sector, and efforts to better control the large State corporations continue to challenge policy-makers and investors alike.

In 2H 2012 the economy grew by 5.3% and by 4.9% in 1H 2013. The government has been aiming for a 5.5% GDP growth for calendar year 2013, but the consensus view is that 5.2% may be a more likely result.

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By the end of June 2013, YTD inflation was a mere 2.4% and YOY inflation was 6.7%, suggesting that the government's battle to contain consumer prices is gradually being won. This gave some room for monetary loosening, with ceilings on interest rates being gradually lowered. But despite the lower cost of borrowing, credit growth has been anemic in 1H 2013. Commercial banks are no longer permitted to offer customers gold deposit accounts, and gold trading in Vietnam has effectively been re-nationalized. Meanwhile the value of the VND has held relatively steady against the USD over the last twelve months, ending 1H 2013 at 21,170, compared with 20,840 at the end of 2012.

Only three of the last twelve months saw a score above 50 in the Purchasing Manager's Index (which indicates a positive rate of growth in the manufacturing sector), and the index saw nine months of contraction, ending 1H 2013 at 46.4. The main culprit has been weak domestic demand for products, rather than any marked decline in export orders. Export orders have been driven by the foreign-invested enterprise sector, displaying fairly consistent net trade surpluses, despite the continued rise in FDI inflow pledges and disbursements. Samsung in particular has become an important source of export earnings for Vietnam, from its USD 2.5 billion cellphone assembly plant in Bac Ninh. A second Samsung plant is being constructed in Thai Nguyen at a cost of an additional USD 2.0 billion. After squeezing out a rare trade surplus of roughly USD 280 million in 2012, a more normal trade deficit was seen for Vietnam in 1H 2013 of USD 1.4 billion. Exports were USD 62.1 billion and imports USD 63.5 billion; a rise of 16.1% and 17.4% during 1H 2012 respectively.

A much-touted initiative to establish a state-owned asset management company – a form of 'bad bank' – with a mandate to acquire approximately USD 4 billion in bad debt from the loan books of local banks had not materialized by the end of June 2013. Details on the precise modalities of its operation also remained uncertain and a number of development and ratings agencies cautioned that such an initiative could not be expected to completely address the banking sector's large debt overhang. In addition, a State Bank of Vietnam directive stating that all commercial banks should abide by more stringent non performing loan and provisioning rules was put back from June 2013 to June 2014. Similarly, a government strategy to reform the large state corporations, which was due for unveiling in June 2013, had not been launched by mid-July. Such delays do little to instill investor confidence in the earnestness of the leadership to address some of the more fundamental challenges that lie behind Vietnam's current economic environment.

"After retreating for much of 2H 2012, the markets rallied strongly in December 2012 and January 2013, and then made more modest gains in March and May. As a result, the VNI was up 13.9% between 1 July 2012 and 30 June 2013."

Nonetheless, the equity markets have been generally optimistic over the last twelve months. After retreating for much of 2H 2012, the markets rallied strongly in December 2012 and January 2013, and then made more modest gains in March and May. As a result, the VNI was up 13.9% between 1 July 2012 and 30 June 2013, ending June at 481, down from a three-year peak of 528 seen earlier in the month, but still up 16.3% for 1H 2013 overall.

> “ Companies making up the large cap index VN30 alone accounted for the majority – around USD 26.6 billion – of the market capitalization of the 308 firms listed on HOSE. ”

As of the end of June 2013, the Ho Chi Minh City stock market’s total capitalization was equivalent to USD 38.2 billion, compared to USD 4.8 billion for the Hanoi equity market. Companies making up the large cap index VN30 alone accounted for the majority – around USD 26.6 billion – of the HOSE. Ho Chi Minh City is home to 308 listed firms, while Hanoi has 388. Seven more companies listed their shares in 1H 2013, while 22 de-listed themselves. Roughly USD 110 million of new equity funding was raised by companies listed on the country’s stock markets in the first half of 2013, down about 58% on the same period in 2012. The State Securities Commission has announced its desire to merge the Hanoi and Ho Chi Minh City stock exchanges, probably in 2014 or 2015.

In May 2013 the National Assembly introduced what will be an annual vote of confidence by its 500 delegates on the performance of Vietnam’s 49 most senior government officials. The results were made public, and both the Prime Minister and the Governor of the State Bank of Vietnam, along with a number of ministers, accrued relatively low confidence scores.

We will view the remainder of 2013 with guarded optimism.

Domestic Consumption Report

Vietnam's successful economic growth strategy has brought tens of millions of its citizens out of poverty since the late 1980s.

DOMESTIC CONSUMPTION IN VIETNAM

One of the primary investment themes that VietNam Holding has pursued over the past years is domestic consumption. In view of an average annual income in Vietnam which recently exceeded USD 1,500 and a growing urban middle class, we strongly believe that companies which take advantage of the emerging trends in the Vietnamese domestic consumption environment have an opportunity to perform particularly well.

> "Between 2002 and 2010 alone, the average monthly income per person rose from approximately USD 25 to USD 76, and average consumption expenditures similarly rose from USD 19 to USD 63 per month."

As the world's 13th most populous country, with relatively strong and sustained macro-economic growth over the last quarter century, Vietnam poses an increasingly attractive proposition to domestic-oriented retailers, producers and service providers of many kinds. The recent arrival into Vietnam of both Starbucks and Burger King, to name just two global brands, and the impending arrival of McDonald's in early 2014, points to the increased attention that the country's consumer base is now receiving from some of the world's leading multinational enterprises.

Vietnam's successful economic growth strategy has brought tens of millions of its citizens out of poverty since the late 1980s. Between 2002 and 2010 alone, the average monthly income per person rose from approximately USD 25 to USD 76, and average consumption expenditures similarly rose from USD 19 to USD 63 per month. The country's youthful demographic profile – 54% of the population is younger than 30, and 25% is younger than 15 – and burgeoning middle class suggests a rosy future for domestic spending, with incomes expected to increase further.

According to market analysis firm Nielsen, the size of Vietnam's middle class – defined as those households with daily expenditures of between USD 10 and USD 100 per person – will rise from just eight million in 2012 to 44 million in 2020 and 95 million in 2030. As a result, total consumption in the country will rise from USD 46 billion in 2012 to USD 310 billion in 2020 and USD 940 billion by 2030. Nielsen also ranks Vietnam as the fastest growing FMCG (fast moving consumer goods) market in Asia, at 21.5% in 2012, ahead of India (18.3%), China (14.6%), Indonesia (11.15%) and Thailand (10.9%).

We have also seen the steady growth of urban areas, as people have migrated from semi-subsistence rural jobs to salaried employment in the cities and industrial zones. In the late 1980s, about 20% of the population resided in urban areas. That figure has now risen to about 30%, and some forecasts suggest it will be near 50% by 2025. Such figures help explain why the amount of foreign direct investments in the wholesale and retail sales-related space in Vietnam rose by 107% in 2012.

While considerable challenges will undoubtedly be faced by various participants in this fast-evolving sector, particularly from increased market penetration by some large and experienced foreign investors, the overall outlook is bright for domestic players. After decades of low incomes and consumer frugality, the Vietnamese populace is beginning to display its new-found spending power across a range of sub-sectors. Below we briefly profile four of these: healthcare, food and beverages, retail, and information and telecommunications.

> "After decades of low incomes and consumer frugality, the Vietnamese populace is beginning to display its new-found spending power across a range of sub-sectors."

HEALTHCARE

There are a number of growth opportunities in the burgeoning healthcare sector in Vietnam, ranging from the manufacture of generic and branded healthcare-related products and machinery to various service providers, such as private hospitals. According to a BMI Vietnam Pharmaceuticals and Healthcare report, healthcare expenditure per capita in Vietnam increased from USD 73.9 in 2009 to USD 100.0 in 2012 and are forecasted to reach USD 168.5 in 2017. Pharmaceutical sales per capita in 2012 were USD 31.62 and are forecasted to reach USD 68.89 in 2017, a compound annual growth rate of 17%.

A key challenge that local companies are facing is lackluster consumer confidence in the caliber of domestic

> There are a number of growth opportunities in the burgeoning healthcare sector in Vietnam, ranging from the manufacture of generic and branded healthcare-related products and machinery, to various service providers, such as private hospitals.

healthcare products and services, relative to foreign brands and service providers. When affordable, there is a preference among domestic consumers to select imported products as well as services offered by foreign-owned service providers. This consumer view will take time to dissipate, but it does provide a market opportunity for innovative local firms.

A good example of this is Hanoi-based Traphaco (TRA) a local pharmaceutical company that has been able to harness increased domestic consumer spending in the health sector through its diverse product offering. A key differentiation that the company has established is its mix of both Western and traditional 'Oriental' approaches to medicines, which is particularly attractive to a growing number of local consumers who see merits in combing both disciplines. The company's recent ventures into Oriental medicines and herbs production and its expansion into Cambodia, Laos and Ukraine - all overseas markets that it understands well - make the company an exciting investment proposition.

Between 2006 and 2012 TRA recorded an impressive 42.2% compound annual growth in net profit after tax while maintaining an ROA of more than 12% and an ROE above 21%. During that same period, TRA's revenue increased by 4 times and exceeded VND 1400 billion with net profit before tax at VND 174 billion. In 2012, TRA surpassed Domesco to become the 2nd largest domestic pharmaceutical company in Vietnam.

FOOD AND BEVERAGES

Although reliable statistics are hard to validate, average spending on food and beverages is believed to make up at least a third of total spending by Vietnamese consumers. In the basket of items used by the General Statistical Office to calculate the consumer price index, food items account for over 42% of the total basket, thereby indicating how important food expenditure is for Vietnamese households. Successfully tapping into that market requires both strong branding strategies and an extensive distribution network.

Ho Chi Minh City-based Vinamilk, perhaps Vietnam's most well-known company in the food and beverages sector, has established an enviable range of dairy-related products that meet local tastes, and has complimented it with a robust distribution network. VNM has consistently maintained its dominating market share of over 50% in almost all of its product range (90% in yogurt, 70% in condensed milk, 50% in fresh milk and 30% in powdered milk). In recent years the company has shifted more into domestic dairy farming, as well as related healthcare services. VNM has also sought to carefully explore overseas markets, including Cambodia and the Philippines, as well as select Middle Eastern markets and Australia.

> Although reliable statistics are hard to validate, average spending on food and beverages is believed to make up at least a third of total spending by Vietnamese consumers.

Another growth area is beer, with sales amounting to USD 3 billion in 2012. Indeed, Vietnam has the largest beer consumption per capita in the Southeast Asia region (at about 38 liters). The corresponding figure in Thailand is about 27 liters and in the Philippines just 19 liters. Both countries have markedly higher GDPs per capita than Vietnam. Between 1990 and 2011, beer consumption in Vietnam rose almost 27-fold, far out-pacing China's 6-fold increase.

RETAIL

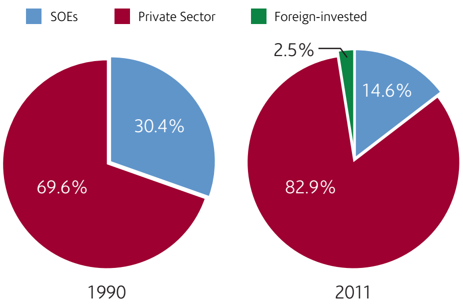
It is hard not to be excited by the long-term opportunities presented to the retail sector in Vietnam's demographic and economic trajectory. Total retail sales of goods and services in Vietnam not adjusted for inflation rose more than 100 fold to VND 2,004.36 trillion – the most recent year for which data is available. In 1990, State-owned Enterprises (SOEs) accounted for 30.4% of all such retail sales, and the domestic private sector provided the remaining 69.6%. By 2011, SOEs accounted for just 14.6%, a mere 2.5% was sold by foreign-invested firms, and 82.9% was provided by domestic private firms.

Domestic Consumption Report

Not only are Vietnamese consumers spending more, they are also becoming more discerning customers.

Not only is the overall retail 'pie' in Vietnam growing, but the domestic private sector's slice of that pie is steadily increasing.

Participation by retail sector
1990 and 2011



Source: Nielsen

Despite the relatively weak domestic economy in 2012, the General Statistical Office estimates that the total value of retail sales in Vietnam was over USD 111.35 billion with a 16% growth rate that year. Yet only about 20% of this figure was transacted in modern outlets, such as supermarkets and convenience stores. The bulk of retail transactions still occur in 'wet markets' and more traditional outlets, as do the many small transactions typically conducted by consumers on a daily basis. There is considerable value to be captured by enterprising firms that are able to establish national distribution networks that provide products that meet the needs of the millions of consumers with more modest incomes.

Following Vietnam's commitments to open the domestic market after its accession to the WTO in 2007, a key challenge for domestic retailers is the increased presence of foreign ventures. In early June 2013 a Circular issued by the Ministry of Industry and Trade came into effect that liberalizes the regulations on the trading of goods by foreign enterprises, thereby moving further towards a level playing field for all retailers.

Germany's METRO and Big C of France have already made substantial in-roads into Vietnam, while both E-Mart and Lotte Mart of South Korea and Auchan of France have plans to begin operations in Vietnam. NTUC FairPrice of Singapore recently entered a joint venture with Saigon Co-op to open 'Co.opXtra' and 'Co.opXtra Plus' hypermarkets in 2013,

"Despite the relatively weak domestic economy in 2012, the General Statistical Office estimates that the total value of retail sales in Vietnam was over USD 111.35 billion with a 16% growth rate that year."

while Takashimaya and Aeon of Japan are reportedly poised to open shopping malls in Vietnam. A similar cascade of investments is likely to be seen in smaller convenience stores.

For local consumers, such supermarkets offer more choice, but also the comfort that comes from the strict enforcement of standards in food safety and quality that have been imposed on suppliers. Domestic retailers that are able to transition themselves and their products to the needs and expectations of a more modern retail market should see their revenues grow. A good example of this is Masan Consumer, which has established a portfolio of strong brands in the food and beverage space and in turn has attracted investments from several global private equity firms.

INFORMATION & TELECOMMUNICATIONS

While much of Vietnam's physical infrastructure often struggles to keep pace with the rapidly increasing local demand, Hanoi's policy-makers were quick to appreciate the merits of providing affordable telecommunications and allowed a significant degree of competition to occur within this sub-sector. This in turn resulted in substantial investment in telecommunications, as well as prices that allow most Vietnamese to own a cellphone.

"In 2012 there were 139 mobile phones in Vietnam for every 100 people; equivalent to over 127 million cellphone subscriptions."

A recent estimate suggests that in 2012 there were 139 mobile phones in Vietnam for every 100 people; equivalent to over 127 million cellphone subscriptions. Similarly, the internet penetration rate was estimated to be around 34% (around 30.8 million users) in 2012, slightly higher than the global average of 33%. Additionally, over 8.5

million Vietnamese held a Facebook account by mid-2012 (Facebook's fastest growth rate in the world at that time), and a similar number use rival Zing.

While consumer sales on the internet remain a small portion of total consumer transactions, this is expected to soon rise considerably. The government has estimated that total e-commerce sales in Vietnam in 2012 amounted to about USD 700 million – not far behind Indonesia at USD 1 billion – and that by 2015 such sales will reach USD 1.3 billion. It is estimated that 79% of all internet users visit on-line retail sites, 61% have made an on-line purchase of some kind and over 80% have used social network sites when researching potential purchases.

“ Affordable and relatively reliable telecommunications has also allowed for the establishment of a small but rapidly growing community of IT-oriented businesses. ”

Affordable and relatively reliable telecommunications has also allowed for the establishment of a small but rapidly growing community of IT-oriented businesses. FPT Corporation is presently the largest listed Vietnamese company operating in the ICT and telecommunications sector. The main drivers of its activities include telecommunications, online content, software out-sourcing to overseas clients and IT services and education. In 2012, FPT attained a 20% YOY increase in internet subscribers and had extended its services to 46 of Vietnam's 64 provinces, with a further 10 provinces expected to be on-line by the end of 2013. FPT also aspires to increase its international presence as there are considerable opportunities in a number of neighboring countries where customers are still poorly served.

“ While consumer sales on the internet remain a small portion of total consumer transactions, this is expected to soon rise considerably. The government has estimated that total e-commerce sales in Vietnam in 2012 amounted to about USD 700 millon and that by 2015 such sales will reach USD 1.3 billion. ”

“ We are encouraged by the fact that companies which fail to comply with environmental or health standards can find themselves subject to informal, but surprisingly rapid and effective, customer boycotts. ”

Not only are Vietnamese consumers spending more, they are also becoming more discerning customers. It is well known that in the past most Vietnamese have tended to prefer foreign brands and products when given a choice. But we are now starting to see increasing evidence of domestic companies successfully establishing their own brands, and thereby capturing greater market share, as in the case of Traphaco and Vinamilk.

We are encouraged by the fact that companies which fail to comply with environmental or health standards can find themselves subject to informal, but surprisingly rapid and effective, consumer boycotts. This has already been seen in the foodstuff sector where a company was repeatedly chastised for polluting a local river, and with a number of high profile foreign-owned enterprises that were alleged to have used transfer pricing techniques to evade corporate income tax. This consumer sentiment and activism is very much congruent with our own approach to socially responsible investing and the way we have mainstreamed ESG into our investment activities. As we seek and develop investments in Vietnam's important domestic consumer sector and other areas, that will continue to be the case.

Portfolio Companies

FPT Corporation (FPT) is Vietnam's leading manufacturer and distributer of telecommunications products. Vietnam's Information & Telecommunications sector will continue to be a major driver for the country's domestic consumption growth.

Thien Long Group (TLG) is the number one producer and distributor of pens and stationery in Vietnam. TLG can boast a very strong brand recognition among local customers and it is also a leading exporter to other Asian countries, Europe and the US.

Phu Nhuan Jewelry (PNJ) is Vietnam's most famous jewelry retailer. As in most other Asian countries, gold and silver products are a very popular status symbol in Vietnam. On top of that it is also considered to be an elegant way to preserve your savings.

Vinasun (VNS) is the largest Taxi enterprise in Vietnam with currently more than 4,600 taxis in five major cities. Vietnam's taxi market is growing rapidly but it is also highly competitive. In this challenging environment VNS is very favorably positioned thanks to its size and experience.

Portfolio Companies

HAU GIANG PHARMACEUTICAL JOINT STOCK COMPANY (DHG)

DHG PHARMA
Vì một cuộc sống khỏe đẹp hơn

SHAREHOLDER PROFILE (as at 30 June 2013)

SCIC	43.3%
Foreign investors	49%
Domestic investors	7.7%

VIETNAM HOLDING'S INVESTMENT (as at 30 June 2013)

Number of shares:	1,615,608
Total investment:	USD 3.67 million
Average purchase price:	VND 48,142
% VNH shareholding:	2.5%

TRADING INFORMATION (as at 30 June 2013)

Traded on:	HOSE
Date of listing:	21 Dec 2006
Total shares outstanding:	65 million
Share price:	VND 87,000
52 week high:	VND 90,000
52 week low:	VND 54,800
Trailing P/E:	11.2
Price/Book:	3.2

FINANCIAL HIGHLIGHTS (USD million)	2011	2012
Equity capital	65.7	81.0
Revenue	122.9	140.0
Revenue growth (in VND) (%)	22.4	17.7
EBIT	22.2	26.1
NPAT	20.5	23.2
EPS (VND)(*)	6,382	7,443
EPS growth (%)	8.5	16.6
Gross Margin (%)	48.5	49.3
EBIT Margin (%)	18.1	18.7
ROE (%)	30.1	28.8
D/E (x)	0.02	0.01
Current Ratio (x)	2.7	2.8

Sources: DHG audited financial statements and annual reports.
(*) Bonus stock issued at ratio 10:14, in June 2011.

ESG HIGHLIGHT

DHG incorporated a Corporate Social and Environmental Responsibilities report in their 2012 Annual Report, receiving very positive feedback from investors. The report identifies environmental issues relating to usage of natural resources and solutions to these issues. The company also publicly stated its position on energy and climate change, bioequivalence and biodiversity, Intellectual property and brand investments.

CORE BUSINESS

Producer and distributor of pharmaceutical products.

COMPANY BACKGROUND

Established in 1974, Hau Giang Pharma (DHG) is one of Vietnam's leading pharmaceutical producers and distributors. A former State-owned Enterprise, the company was equitized in 2004 and subsequently listed in 2006.

KEY STRENGTHS

DHG has a well-developed distribution network throughout all 64 provinces of Vietnam, the most extensive network among its local rivals. DHG has held the largest market share (10.8% in 2012) among local peers for the last 17 years. The management team has proven its ability to execute a clear strategy of focused diversification based on the company's core competencies. The company's modern and integrated factory system meets the most demanding global standards. Its equally well regarded and internationally certified R&D laboratory is very active in the research and development of new products and import substitutes.

BUSINESS STRATEGY AND EXECUTION

DHG's management seeks to derive maximum competitive advantage from the company's strong distribution system. New factories have expanded production capacity, as the existing plants were running at full capacity. The company is collaborating with a range of biological institutes and researchers to carry out projects aimed at developing dietary supplement products from algae. DHG invests heavily in staff training with a strong emphasis on best-practice management practices.

PERFORMANCE & DEVELOPMENT IN 2012

DHG reported growth of 17.7% in revenues and 17% in net operating profits in 2012. During the same year 22 new products were granted registration certifications and 30 new products have been added to its manufacturing line. Construction of two new factories (non-beta-lactam and beta-lactam) is scheduled for completion in Jul 2013 and December 2013 respectively. DHG was voted one of the \`Asia's 200 Best Under A Billion, 2012' by Forbes magazine. DHG's 2012 Annual Report has been nominated for a national award for the second consecutive year.

OUTLOOK FOR 2013-2014

The increasing healthcare awareness and spending power of the Vietnamese resulted in pharma industry growth of around 17% last year. Currently, domestically produced medicines only meet 46% of Vietnam's total demand. The industry aims to raise this ratio to 70% by 2015. The two new factories will raise DHG's total production output to 9 billion units from the current capacity of 4 billion and are expected to run at full capacity within 3 years. In 2013, DHG expects to record USD 6 million in pre-tax profit from sale of Eugica, one of its best-selling brands.

The company continues to collaborate with senior researchers at the Hanoi University of Pharmacy to conduct bioequivalent studies on long-acting treatment products. Additionally, its work with the Institute of Biotechnology has produced Naturenz, a promising liver detoxification product. The company is also aiming to produce Spirulina (a seaweed derivative containing zinc, selenium and chromium from spores) in the development of nutrition-related products for women and children.

FPT CORPORATION (FPT)

SHAREHOLDER PROFILE (as at 30 June 2013)	
SCIC	6%
Foreign investors	12%
Domestic investors	82%

VIETNAM HOLDING'S INVESTMENT (as at 30 June 2013)	
Number of shares:	848,982
Total investment:	USD 1.67 million
Average purchase price:	VND 40,886
% VNH shareholding	0.3%

TRADING INFORMATION (as at 30 June 2013)	
Listed on:	HOSE
Date of listing:	21 November 2006
Total shares outstanding:	274 million
Share price:	VND 41,800
52 week high:	VND 45,700
52 week low:	VND 31,500
Trailing P/E:	7.3
Price/Book:	1.8

FINANCIAL HIGHLIGHTS (USD million)	2011	2012
Equity capital	296.0	340.4
Revenue	1,251.9	1,174.7
Revenue growth (in VND) (%)	26.7	(3.1)
EBIT	135.7	125.9
NPAT	83.0	73.6
EPS (VND)	6,276	5,665
EPS Growth (%)	19.4	(9.7)
Gross margin (%)	19.5	19.1
EBIT margin (%)	10.8	10.7
ROE (%)	29.8	23.1
D/E	0.8	0.4
Current ratio (x)	1.3	1.5

Sources: FPT audited financial statements
(*) Stock dividend ratio 4:1 in May 2012

ESG HIGHLIGHT

FPT University and its affiliates have trained more than 15,000 students majoring in IT, economics and finance. The university was established to train and provide quality human resources for FPT Corporation, but is also an important growth driver for the community. FPT is expected to appoint a new CEO this year to implement an aggressive global expansion plan as well as to maximize synergies among the company's business units.

CORE BUSINESS

Major manufacturer and distributer of telecommunications products and international provider of information technology services.

COMPANY BACKGROUND

FPT is the largest IT company in Vietnam, with a revenue of USD 1,174.7 million in 2012. Originally a State-owned Enterprise founded in 1988, FPT changed its focus to information technologies in 1990 and has held the leading position in the industry since 1996. It went public in 2002 and was listed on the HoChiMinh Stock Exchange in 2006.

KEY STRENGTHS

The company's key strengths include high quality human resources, a comprehensive telecom infrastructure, and a reputable brand name recognized throughout the country. The company is the largest software exporter in Vietnam with a skilled workforce of 4,784 programmers. A complete telecom infrastructure helps FPT to increase competitiveness, reduce lease-line cost and enables it to expand its market to second-tier cities. It is already represented in 46 of the 63 cities and provinces in Vietnam and in 14 countries around the world. With a strong base of more than 180 globally well-recognized customers and partners, FPT has the potential to reach its ambitious goals of optimal synergy and competitive advantages.

BUSINESS STRATEGY AND EXECUTION

FPT continues to concentrate on its core businesses and to provide cutting edge services in the areas of cloud computing, data warehousing and mobile technology. Its Board of Directors made a strong commitment to FPT's long-term growth by mandating the policy of setting aside 5% of profit before tax for R&D, establishing a Technology Council and increasing the emphasis on training activities. In 2012 FPT expanded its retail sales capacity in order to capitalize on the increasing demand for Information and Communications Technology (ICT) products.

PERFORMANCE & DEVELOPMENT IN 2012

2012 was a difficult year for FPT in the context of decreased spending on information technologies in both the private and public sector. FPT was nevertheless able to achieve reasonably good business results with USD 1,174.7 million in revenues, down 3% from 2011, and USD 73.6 million in net profit, down 8% from the previous year.

FPT retained its leading position in most business segments including software development, system integration, IT services, online advertising and distribution of ICT related products. In 2012, FPT was named by the NeoGroup, a global expert in information services, to The Global Services 100 List comprising industry leaders in global IT and Business Process Outsourcing (BPO) services. That year, FPT's software outsourcing segment recorded a 34% growth in revenues and a 26% in profit before tax. Also in 2012, FPT put into operation the North-South backbone telecommunications cable system, which enables it to expand its service network to 44 out of 63 cities and provinces and enjoy strong countrywide growth.

OUTLOOK FOR 2013-2014

Earnings are forecast to grow at a modest 12% in 2013, given the uncertainties of domestic macroeconomic conditions, which are likely to lead to cuts in both spending and investments in information technologies. Nevertheless, FPT's software outsourcing and internet broadband services segments are expected to maintain strong growth thanks to high demand and FPT's competitive advantages. In the medium term, FPT will benefit from the process of reforms in the banking and State-owned Enterprises sectors as well as increased spending for ICT products and online services.

Portfolio Companies

JAPAN VIETNAM MEDICAL INSTRUMENT JOINT STOCK COMPANY (JVC)

SHAREHOLDER PROFILE (as at 30 June 2013)

Foreign investors	49%
Domestic investors	51%

VIETNAM HOLDING'S INVESTMENT (as at 30 June 2013)

Number of shares:	3,295,396
Total investment:	USD 3.02 million
Average purchase price:	VND 16,182
% VNH shareholding:	6.7%

TRADING INFORMATION (as at 30 June 2013)

Traded on:	HOSE
Date of listing:	21 June 2011
Total shares outstanding:	49 million
Share price:	VND 19,400
52 week high:	VND 21,600
52 week low:	VND 16,170
Trailing P/E:	5.5
Price/Book:	1.3

FINANCIAL HIGHLIGHTS (USD million)	2011	2012
Equity capital	17.9	33.6
Revenue	29.9	36.4
Revenue growth (in VND) (%)	43.5	25.8
EBIT	10.5	12.9
NPAT	6.7	8.2
EPS (VND)	4,916	5,264
EPS growth (%)	76.0	7.1
Gross Margin (%)	38.8	39.5
EBIT Margin (%)	35.2	35.5
ROE (%)	40.5	32.0
D/E (x)	0.3	0.6
Current Ratio (x)	1.6	1.7

Sources: JVC audited financial statements and annual reports.

ESG HIGHLIGHT

JVC has introduced to Vietnamese hospitals the Kusukusu line of incinerator products, which work on advanced semi-distillation, negative pressure combustion principles. All medical wastes are burned thoroughly, in a smokeless and odorless process, ensuring that the levels of dioxin and furan are considerably lower than when using traditional methods.

CORE BUSINESS

Distributor and manufacturer of medical equipment.

COMPANY BACKGROUND

JVC, founded in 2001 as a private enterprise and listed in 2011, is the market-leading vendor of health care diagnostic equipment to hospitals and clinics across Vietnam. Being the sole distributor of Hitachi and official distributor of other well-known brands such as Fuji, GE, Kodak, Nemoto, KINKY Roentgen, Toray and Carestream, JVC is an innovator in providing sales support and services to its clients in Vietnam. It was also the first company in the country to operate a medical equipment leasing service under revenue sharing contracts with leading hospitals. JVC also operates a fleet of mobile diagnostic clinics supporting health care to workers at large-scale manufacturing and business centers.

KEY STRENGTHS

As the official distributor for well-recognized brands, JVC's products are known in Vietnam for their high quality, reasonable prices and professional technical support. Hitachi medical imaging products in Vietnam have a market share of more than 30% - twice that of Siemens and Phillips Combined. JVC has established good relationships with leading national and provincial hospitals in Vietnam by sending experienced engineers and technician teams to support doctors in operating JVC machinery and equipment. JVC has a young, dynamic management team that is committed to the growth of the company and capable of achieving it.

BUSINESS STRATEGY AND EXECUTION

JVC aims to be the leading distributor of medical imaging equipment in Vietnam by continuously introducing state-of-the-art technology products from leading global manufacturers. JVC is cooperating with several of Vietnam's leading hospitals to develop high quality medical diagnosis and treatment centers, on a revenue sharing basis. The company also runs other supporting businesses, such as: establishing general clinic centres in Ho Chi Minh and Hanoi; producing its own-brand of high frequency X-ray machines; mobile clinic health check-up services for workers in industrial zones; and a repair and maintenance service for medical equipment.

PERFORMANCE & DEVELOPMENT IN 2012

JVC recorded a 26% growth in revenues and 27% in net income in 2012, contributing to 3-year CAGR of 61% and 77% respectively. JVC was ranked 3rd among the top 50 Vietnamese most effective businesses in early 2013. In 2012, JVC became the official distributor for an additional 20 international brands in Vietnam.

OUTLOOK FOR 2013-2014

The government of Vietnam has identified the domestic healthcare services industry as a top priority for the next five years. It is increasing its efforts towards expanding the availability of medical services and upgrading medical facilities and equipment across the country. JVC aims to provide a wide range of medical equipment, covering products in areas such as imaging diagnostics, cancer therapy, surgery, obstetric gynaecology, dialysis, functional exploration and rehabilitation, and waste treatment. In partnership contracts with hospitals, the company raised VND 146 billion in late 2012 for new investments in cancer treatment equipment in two leading hospitals. These projects will be launched in the fourth quarter 2013 and are planned to achieve break-even within 2.5 years and ultimately achieve an annual IRR of 35%.

PETROVIETNAM GENERAL SERVICE JS COMPANY (PET)

SHAREHOLDER PROFILE (as at 30 June 2013)	
Petrovietnam Group PVN	35%
Foreign investors	30%
Domestic investors	35%

VIETNAM HOLDING'S INVESTMENT (as at 30 June 2013)	
Number of shares:	1,573,390
Total investment:	USD 1.59 million
Average purchase price:	VND 22,921
% VNH shareholding:	2.3%

TRADING INFORMATION (as at 30 June 2013)	
Traded on:	HOSE
Date of listing:	12 Sep 2007
Total shares outstanding:	69 million
Share price:	VND 21,400
52 week high:	VND 25,500
52 week low:	VND 9,600
Trailing P/E:	7.9
Price/Book:	1.2

FINANCIAL HIGHLIGHTS (USD million)	2011	2012
Equity capital	57.7	59.6
Revenue	509.3	485.0
Revenue growth (in VND) (%)	4.7	(1.6)
EBIT	30.6	17.6
NPAT	14.1	9.0
EPS (VND)	4,107	2,720
EPS growth (%)	29.0	(33.8)
Gross Margin (%)	9.7	7.5
EBIT Margin (%)	6.3	4.0
ROE (%)	23.5	15.1
D/E (x)	1.2	1.1
Current Ratio (x)	1.2	1.3

Sources: PET audited financial statements and annual reports.

ESG HIGHLIGHT

PET sent strong messages to its employees and management members on environment protection. Its focuses: strict compliance with water treatment regulations and standards, use of biodegradable plastic bags, sorting of wastage before dumping, promotion of no-smoking workplace, shutting down electrical appliances when appropriate, and making the most of the natural light environment. Besides this, PET also encouraged its customers to participate in the World Environment Day through propaganda posters, books in the lobby and advertising display screens in buildings.

CORE BUSINESS

Distributor of mobile phones and IT equipment in Vietnam. Additionally, it is a specialized services provider to the oil and gas industry.

COMPANY BACKGROUND

PET, founded in 1980, is the leading wholesale distributor of mobile phones in Vietnam. In 2009, it was the most successful distributor of Nokia in the Asia Pacific region, surpassing its 2 largest competitors, FPT and the Lucky Group. In 2012, PET was again nominated among the top 50 famous brand names of Vietnam and ranked 69th in the list of Vietnam's Top 500 Enterprises. Aside from mobile phone distribution, PET provides a range of exclusive services to the Petrovietnam Group such as catering, logistics and building management.

KEY STRENGTHS

With 12 branches nationwide, PET maintains business relations with 1,700 agents/shops, covering the largest wholesale network in cell phone distribution in Vietnam. PET's dynamic management team swiftly and competently adapted their medium and long-term strategy to the rapid development of the mobile phone market. A widespread network and valuable industry experience helped PET to establish long-term contracts with the world's largest mobile phone and IT equipment producers. For example, PET operates 50%-60% of Samsung's wholesales distribution channels in Vietnam.

BUSINESS STRATEGY AND EXECUTION

Originating from a diversified oil & gas services group, PET successfully concentrated on well identified core industry service businesses including distribution, catering, logistics, and building management. Aside from Samsung, PET also represents Blackberry, HTC, Sony and Lenovo. The company divested several non-core businesses during the last 2 years, thereby generating improved net pre-tax profit margins.

PERFORMANCE & DEVELOPMENT IN 2012

PET became a Tier 2 distributor for Samsung in July 2012. Stagnant Nokia sales during the first half of 2012 were easily offset after the signing of the Samsung contract in July. As a result, 2012 net income before tax (excluding extraordinary income) increased by 9%, aided by improving net margins from the new business segments. In 2011, the company enjoyed an extraordinary pre-tax income of VND 152 billion from non-core business divestment.

OUTLOOK FOR 2013-2014

Local smart phone consumption is forecasted to grow by 25% per annum in the next 3-5 years and is expected to gradually move the market into the premium price zone. Samsung has kicked off a USD 2 billion factory construction project in the Thai Nguyen province, with a total area of 100-ha and a planned capacity of 100 million handsets per annum. The positive image created by this factory (Samsung's 2nd largest globally) paves the way for further opportunities for PET, including the distribution of Samsung's many products beyond mobile phones. The company negotiated better payment terms with Samsung compared to Nokia's, helping them to free up valuable working capital and reducing financial expenses.

Portfolio Companies

PHU NHUAN JEWERY JOINT STOCK COMPANY (PNJ)

SHAREHOLDER PROFILE (as at 30 June 2013)	
Foreign investors	49%
Domestic investors	51%

VIETNAM HOLDING'S INVESTMENT (as at 30 June 2013)	
Number of shares:	2,335,538
Total investment:	USD 2.97 million
Average purchase price:	VND 31,862
% VNH shareholding:	3.2%

TRADING INFORMATION (as at 30 June 2013)	
Traded on:	HOSE
Date of listing:	23 Mar 2009
Total shares outstanding:	72 million
Share price:	VND 27,000
52 week high:	VND 33,400
52 week low:	VND 25,100
Trailing P/E:	8.9
Price/Book:	1.5

FINANCIAL HIGHLIGHTS (USD million)	2011	2012
Equity capital	53.7	59.6
Revenue	886.4	320.8
Revenue growth (in VND) (%)	30.6	(62.6)
EBIT	18.2	12.9
NPAT	12.7	12.2
EPS (VND)	4,285	3,571
EPS growth (%)	21.3	(16.7)
Gross Margin (%)	3.7	8.6
EBIT Margin (%)	2.1	4.0
ROE (%)	22.5	19.1
D/E (x)	1.2	0.9
Current Ratio (x)	1.7	1.2

Sources: PNJ audited financial statements and annual reports.

ESG HIGHLIGHT

PNJ is active in numerous philanthropic activities. The company is co-founder of the Saigon Times Foundation and Education Development Fund, which provides long-term scholarships in Vietnam and particularly in rural areas. Annual spending for these educational support activities is nearly VND 14 billion.

CORE BUSINESS

Producer, distributor and retailer of jewelry products.

COMPANY BACKGROUND

PNJ is one of the two largest jewelry producers in Vietnam with a 26% market share. Its jewelry products are distributed through 55 company-owned facilities throughout the country. The company holds 60% of the high-end silver jewelry market with over 100 retail stores nationwide. PNJ provides a wide product range for the more affluent consumers in Vietnam. The company has been listed as one of the Top 500 Asia Pacific retailers since 2004 and received an International Quality Award from the Asia Pacific Quality Organization in 2010.

KEY STRENGTHS

PNJ relies on its 25 years of experience in the jewelry industry, building strong brand names at the luxury end of the market. The company has developed a nationwide distribution network including 167 independent retail stores. PNJ considers its experienced team of award winning jewelry designers and its nearly 1,000 skilled goldsmiths as their most important assets.

BUSINESS STRATEGY AND EXECUTION

Supported by its primary competitive advantages of creativity, sophistication and reliability, PNJ aims to build a leading position in the Asian jewelry industry. This is to be achieved through selected diversification, advanced management and manufacturing systems, and well-developed crafting skills. Its 10-year development plan to 2022 sets out four core competences to be further strengthened, including international design quality standards, production scale and technology, modern management systems, and skillful and devoted personnel.

PERFORMANCE & DEVELOPMENT IN 2012

New central bank regulations in 2012 to control the gold market have had a significantly negative influence on PNJ's business results. Revenue decreased 63% mainly due to the decline of the gold bar trading while revenue from jewelry products increased slightly by 2%. Yet, the 2012 gross profit margin improved, increasing to 8.6% compared to 3.7% in previous years. The improved profit margin will be maintained in the next years, as gold bar trading further decreases. The bottom line remained stable, in part due to extra-ordinary income from selling its subsidiary Vinagas.

Determining 2012 as a year of change and internal value development, PNJ focused its resources on organizational restructuring. The efforts resulted in higher productivity, improved gross margins, a new risk control scheme and an improved concentration on its core business.

OUTLOOK FOR 2013-2014

The new VND 120 billion factory, which was completed in October 2012 with a total area of 12,500m² tripled the company's production capacity to potentially for 4 million units per year. It underlines PNJ's commitment to become a leading player in the region's jewelry industry. For 2013, the company set a target of VND 7,798 billion in sales, up 16% and VND 241 billion in net profit, down 5%, due to extraordinary income incurred in 2011. PNJ plans a cash dividend of VND 2,000/share, providing a yield of 7.5%. The company expects to open 14 new stores in 2013 thereby increasing total retail shops to 181 stores. The company also plans to increase the chartered capital by 5% to VND 756 billion, by way of an ESOP program.

THIEN LONG GROUP (TLG)

SHAREHOLDER PROFILE (as at 30 June 2013)	
Foreign investors	16%
Domestic investors	84%

VIETNAM HOLDING'S INVESTMENT (as at 30 June 2013)	
Number of shares:	2,392,280
Total investment:	USD 3.39 million
Average purchase price:	VND 26,943
% VNH shareholding:	11.3%

TRADING INFORMATION (as at 30 June 2013)	
Traded on:	HOSE
Date of listing:	26 Mar 2010
Total shares outstanding:	21 million
Share price:	VND 30,000
52 week high:	VND 31,900
52 week low:	VND 14,600
Trailing P/E:	6.1
Price/Book:	1.1

FINANCIAL HIGHLIGHTS (USD million)	2011	2012
Equity capital	22.7	26.5
Revenue	51.7	58.1
Revenue growth (in VND) (%)	28.3	16.6
EBIT	8.1	8.0
NPAT	4.0	4.8
EPS (VND)	3,931	4,729
EPS growth (%)	5.2	20.3
Gross Margin (%)	39.5	37.7
EBIT Margin (%)	15.7	13.8
ROE (%)	18.5	19.5
D/E (x)	0.7	0.5
Current Ratio (x)	1.5	1.7

Sources: TLG audited financial statements and annual reports.

ESG HIGHLIGHT

Under the company's sustainability policy, its Committee of Initiative regularly studies and proposes solutions to conserve a number of resources including water, electricity, and raw materials in the company's production and operation phases. The Committee organizes monthly meetings with the workers from different factories to share ideas and experiences. These have included: replacing the industrial fans with fresh air ventilation cooling systems, investing in power-saving pressing machines, and replacing high-voltage lights with fluorescent lights in selected areas.

CORE BUSINESS

Producer and distributor of pens and stationery products.

COMPANY BACKGROUND

TLG, founded in 1981 as a private enterprise, is the leading producer and distributor of pens and stationery in Vietnam, with a 60% market share in pens and 30% in office supplies. TLG's products are certified with numerous quality and environment standards and meet the requirements of leading international stationery producers such as BIC, Crayola and many others. The company has built and maintains a strong track record of revenues and profit growth.

KEY STRENGTHS

The company has strong brand recognition over a distribution network of more than 130 wholesalers and 45,000 points of sale, including those in Germany, China, Japan, USA, Thailand, Laos and Cambodia. The company applies a very tight quality control system on well-selected input materials and has an innovative production system. Thien Long has branded molds and machines, which meet with international standards and help the company to stay on top of the latest global trends in their design and production fields. A learning culture is incorporated in their commitment to sustainable development and social responsibility.

BUSINESS STRATEGY AND EXECUTION

TLG's vision is to become the leading supplier of pens and stationery in South East Asia and achieve a leading market position throughout Asia. The company is already expanding its penetration to developed markets including Japan and Europe. Diversification of brand names and the range of products are aimed to meet the needs of all market segments. The company is enhancing R&D towards automation, high productivity, timely completion and high quality.

PERFORMANCE & DEVELOPMENT IN 2012

Despite unfavorable market conditions including declining domestic demand, increased plastic prices and rising labor costs, the company achieved a record 2012 revenue growth of 16.7% and a 24.4% increase in net profits. That success was in part due to a 2011 restructuring program, which included the branding of TLG products into 5 main groups. Export revenue recorded a significant growth at 75% as TLG officially entered the Chinese, German and Japanese markets with its "FlexOffice", "Colorkit" and "Bizner" brands. Early in 2013, TLG was named among the 50 Vietnamese most efficient businesses with impressive growth and efficiency ratios, notably a 2010-2012 CAGR of 36% in revenues, 20% for net profits and an average ROE of 19%.

OUTLOOK FOR 2013-2014

With a focus on further developing B2B distribution channels, TLG plans to enhance its supply chains and expand its market share for both stationery and office supplies. Its success in Germany and Japan has encouraged TLG to expand into the UK and to other European markets, with target export growth rates of 50% per annum. The company will make further investments in R&D to become more independent with input material control and production methods. The ERP-SAP system, which was fully integrated in 2012, will enhance TLG's internal control framework and facilitate better efficiency ratios.

Portfolio Companies

TRAPHACO JOINT STOCK COMPANY (TRA)

SHAREHOLDER PROFILE (as at 30 June 2013)	
State owned (SCIC)	35.7%
Foreign investors	44.9%
Domestic investors	19.4%

VIETNAM HOLDING'S INVESTMENT (as at 30 June 2013)	
Number of shares:	2,096,188
Total investment:	USD 4.32 million
Average purchase price:	VND 43,695
% VNH shareholding:	8.5%

TRADING INFORMATION (as at 30 June 2013)	
Traded on:	HOSE
Date of listing:	26 Nov 2008
Total shares outstanding:	24.7million
Share price:	VND 84,000
52 week high:	VND 95,000
52 week low:	VND 36,000
Trailing P/E:	16.5
Price/Book:	4.11

FINANCIAL HIGHLIGHTS (USD million)	2011	2012
Equity capital	19.0	21.7
Revenue	52.4	66.9
Revenue growth (in VND) (%)	23.6	31.8
EBIT	7.1	9.9
NPAT	4.4	5.6
EPS (VND)	7,187	9,432
EPS growth (%)	18.9	39.4
Gross Margin (%)	37.6	41.1
EBIT Margin (%)	13.5	14.8
ROE (%)	22.2	25.8
D/E (x)	0.5	0.5
Current Ratio (x)	1.7	1.6

Sources: Company's audited financial statements and annual reports.

ESG HIGHLIGHT

For many years, TRA has been awarded Top 10 Corporate Social Responsibility and Top 10 Corporate Community Responsibility awards as well as other awards for its contribution towards the environment, the society and the government. Employee satisfaction is one of TRA's main priorities, and employee income has increased by up to 10% annually for several years.

CORE BUSINESS

Manufacturer and distributor of herbal medicines.

COMPANY BACKGROUND

Traphaco (TRA) is the leading herbal medicine manufacturer in Vietnam. Originated as a State-owned Enterprise, TRA was privatized in 2000 and listed on HOSE in 2008.

KEY STRENGTHS

TRA was the first traditional pharmaceutical company in Vietnam to successfully build its brand name. It is now nationally recognized as a leading supplier of high-quality herbal, medicinal products. It has earned many awards for product quality and biotechnology research, including the International Arch of Europe Quality Award in 2012 and was named an International Best Enterprise by the European Business Assembly. TRA has the first herbal production factory in Vietnam to be certified by GMP-WHO, and has positioned itself as a technology leader. The R&D department of TRA is very active and efficient, with 20 new products being researched and 6 new products being put into production each year.

BUSINESS STRATEGY AND EXECUTION

After more than 10 years of introducing high-quality, branded products to the market, TRA has switched to more aggressive expansion strategies. It increased the number of proprietary medicines, expanded its distribution network by acquiring small provincial pharmaceutical companies with existing local distribution networks and enhanced its herbal plantations to ensure the quality and ready supply of input materials. It has thereby become a leader in clean and green herbal medicine production in Vietnam and the world. To strengthen its finances, it has increased its COGS margin by improving production efficiencies and shifting its product mix to higher margin items. TRA has also put additional emphasis on employee training to prepare for the launch of a new factory in 2015.

PERFORMANCE & DEVELOPMENT IN 2012

TRA achieved VND 1.4 trillion in revenue and VND 116 billion in NPAT in 2012, a 32% and 31% growth respectively - one of the best performances in Vietnam. During 2012, 6 out of 20 new products researched in-house were launched into the market, contributing 5.5% of total revenue. Also in 2012, TRA acquired 51% of Daklak Pharma Company and 43% of Quang Tri Pharma Company. Internally, four new branches were opened in Thai Nguyen, Quang Ninh, Hai Duong and Gia Lai provinces, bringing the total number of branches to 16. TRA has successfully researched and implemented the GreenPlan project, which brought together the government, several scientists, pharma companies and farmers in researching seeds, seed planting processes and the application of the WHO's GACP collection and processing practices. The goal is to expand the plantation area, and thereby ensure long term and stable volumes and quality of input materials. As a result, 70% of TRA's input materials is now within its direct control.

OUTLOOK FOR 2013-2014

TRA has set an ambitious target in 2013, aiming at VND 1.8 trillion in revenue (28.6% YOY growth) and VND 147 billion in NPAT (26.7% YOY growth). Along with sales force expansion, TRA targets that next year six new products from its R&D department will contribute VND 88 billion – equivalent to 7% of total revenue.

VIETNAM DAIRY JOINT STOCK COMPANY (VNM)

VINAMILK

SHAREHOLDER PROFILE (as at 30 June 2013)	
SCIC	45%
Foreign investors	49%
Domestic investors	6%

VIETNAM HOLDING'S INVESTMENT (as at 30 June 2013)	
Number of shares:	1,207,662
Total investment:	USD 7.51 million
Average purchase price:	VND 23,840
% VNH shareholding:	0.1%

TRADING INFORMATION (as at 30 June 2013)	
Traded on:	HOSE
Date of listing:	19 January 2006
Total shares outstanding:	833 million
Share price:	VND 132,000
52 week high:	VND 138,000
52 week low:	VND 56,220
Trailing P/E:	18.1
Price/Book:	1.7

FINANCIAL HIGHLIGHTS (USD million)	2011	2012
Equity capital	593.2	738.7
Revenue	1,067.2	1279.9
Revenue growth (in VND) (%)	37.3	22.8
EBIT	234.4	315.2
NPAT	208.1	276.3
EPS (VND)	5,082	6,940
EPS growth (%)	12.9	36.6
Gross Margin (%)	30.5	33.6
EBIT Margin (%)	20.0	24.6
ROE (%)	41.3	41.6
D/E (x)	0.0	0.0
Current Ratio (x)	3.2	2.7

Sources: VNM annual report and audited financial statements

ESG HIGHLIGHT

VNM was the first local company to join the Asian Corporate Governance Corporation (ACGA). For the first time, the company included a comprehensive "Corporate Governance Report" in its 2012 Annual Report. Vietstock rated VNM as the best company in Vietnam in terms of Investor Relations practices for 2011 – 2012.

CORE BUSINESS

Manufacturer and distributor of dairy and beverage products.

COMPANY BACKGROUND

Vinamilk (VNM) is the leading dairy product manufacturer and distributor in Vietnam, with a market share of over 50% in most of its product ranges: 90% in yogurt, 70% in condensed milk, 50% in fresh milk, and 30% in powdered milk. Seven years after having its shares listed on the Ho Chi Minh stock exchange, VNM is now one of the largest companies by market capitalization at around USD 5.7 billion. VNM aims to become Vietnam's most trusted brand for nutritional and health-enhancing products.

KEY STRENGTHS

VNM defines its sustainable business strategies as product innovation grounded on R&D commitment, an extensive distribution network and strong export capacity.

VNM takes pride in its well-established distribution network, which consists of both modern trade channels (supermarkets) as well as traditional retailers across the country. VNM has built a network of 250 exclusive distributors who deliver its products to more than 200,000 retailers.

BUSINESS STRATEGY AND EXECUTION

VNM's ambition is to continue being Vietnam's most sustainable and fastest growing dairy food company, and ultimately joining the top 50 global dairy producers, with sales revenues of over USD 3 billion by 2017. The company focuses on local market share expansion by building a high quality and diverse product portfolio for a growing customer base, through a widened distribution network.

PERFORMANCE AND DEVELOPMENT IN 2011 - 2012

2012 was another successful business year for VNM with revenue growth of 23%, and a 38% increase in profits, outperforming its annual targets by a large margin. VNM's gross profit margin improved from 30% to 33% during the year, due largely to its effective inventory management.

In 2012, VNM continued to introduce multiple product lines to supplement over 200 existing dairy products. GoldSoy milk, which is made from 100% non-genetically modified soybeans, was well received by customers, especially by women. Similarly, ProBeauty premium yogurt with collagen, an essential protein for skin nourishment, has seen strong growth in sales revenue since it was launched. In the powdered milk segment, Dielac Optimum with Opti-Digest formula was another innovative product that gained strong consumer attention, especially after the selling price of foreign powdered milk grew sharply in 2012.

OUTLOOK FOR 2012 - 2013

VNM announced an annual growth target of 20% in revenues and 10% in net profits for the next 5 years. Over the first half of 2013, sales revenue was up by 14% and net profit grew by 22%. Export sales, which accounted for 14% of sales in 2012, are expected to contribute about 20% of sales this year. The company exports powdered milk, condensed milk and fresh milk to the Middle East, Cambodia, Philippines and Thailand. VNM's export capacity will benefit substantially from the scheduled opening of two new state-of-the-art factories this year, resulting in a significant production boost.

Portfolio Companies

VINASUN CORP. (VNS)

SHAREHOLDER PROFILE (as at 30 June 2013)	
Foreign investors	35%
Domestic investors	65%

VIETNAM HOLDING'S INVESTMENT (as at 30 June 2013)	
Number of shares:	82,236
Total investment:	USD 0.15million (*)
Average purchase price:	VND 23,840
% VNH shareholding:	0.2%

TRADING INFORMATION (as at 30 June 2013)	
Traded on:	HOSE
Date of listing:	29 July 2008
Total shares outstanding:	40 million
Share price:	VND 38,400
52 week high:	VND 38,400
52 week low:	VND 14,680
Trailing P/E:	9.0
Price/Book:	1.6

(*): VNH started investment in VNS from 13 June 2013 and the stock's liquidity was low during that month.

FINANCIAL HIGHLIGHTS (USD million)	2011	2012
Equity capital	40.7	44.9
Revenue	112.2	129.6
Revenue growth (in VND) (%)	38.4	19.3
EBIT	12.3	14.3
NPAT	6.6	7.2
EPS (VND)	4,395	5,006
EPS growth (%)	(37.2)	13.7
Gross Margin (%)	14.1	16.8
EBIT Margin (%)	9.5	12.7
ROE (%)	15.5	16.2
D/E (x)	1.0	0.9
Current Ratio (x)	1.2	1.2

Sources: VNS annual report and audited financial statements

ESG HIGHLIGHT

VNS strongly values human assets as the heart of the company. Staff training and a rewarding compensation scheme are critically important. Average monthly income of VNS drivers increased by 16% in 2012 and is currently at the most competitive levels in the industry. The company constantly introduces innovative profit sharing schemes to optimize the earnings of its drivers and regularly reviews its social benefits system.

CORE BUSINESS

VNS operates taxis under the corporate brand "Vinasun" in Ho Chi Minh City and other urban markets.

COMPANY BACKGROUND

VNS was founded in 1995 and started its taxi service in 2003. Since then the company has focused on operating taxis as its primary business, offering its service in major cities in the country's south. VNS shares have been listed on the HOSE Stock Exchange since 2008.

KEY STRENGTHS

VNS is the market leader in the taxi business in Vietnam with 4,622 taxis in five big cities. The company has the largest fleet size in the industry, which results in a dominating market share in most of the markets it currently serves. It enjoys a market share of 42% in Ho Chi Minh City, 62% in Binh Duong, 65% in Dong Nai, 32% in Da Nang, and 15% in Vung Tau. Backed by a sound financial condition, VNS is planning a bold business expansion strategy. The company maintains a moderate amount of leverage.

BUSINESS STRATEGY AND EXECUTION

VNS aims to gain a leading overall market position in Vietnam with a strategy to penetrate other domestic markets through organic growth as well as M&A opportunities. In preparation for the expected growth, Vinasun has initiated a number of business strategies, which include the penetration of new markets, an increased fleet size, increased daily sales-per-cab targets and constant service quality improvements. VNS emphasizes staff training and technology upgrades and has prepared for an increased sales contribution from call centers and sales agents, better use by its corporate card base and more effective use of GPS systems in its taxis.

PERFORMANCE AND DEVELOPMENT IN 2012

2012 was a difficult year for many companies in the taxi business. Despite this, VNS achieved 19% growth in revenue and 14% growth in net income last year. Its gross profit margin improved from 14% to 17% despite 12 consecutive petrol price hikes during the year. This feat was achieved through an adaptive pricing strategy and effective cost control. VNS focuses on increasing the operational efficiency per taxi and has managed to grow daily sales per taxi by 16% in 2011 and 11% in 2012. Average fare-per-kilometer also improved by 17% in 2011 and 13% in 2012, while the taxi occupancy rate was maintained at about 57% and is targeted to improve to 60% this year.

OUTLOOK FOR 2013 - 2014

VNS's plans for 2013 are to increase its revenue and net profit by 4% and 21% respectively. To date the company has already made strong progression towards achieving these goals. The company also aims to increase its fleet in HCMC by 581 cabs and to enter the Hanoi and Nha Trang markets to become a truly nationwide player by 2014. Looking further ahead, VNS plans to grow its

Sustainability Report

SUSTAINABLE INVESTING

As a long-term investor, we remain committed to the mainstreaming of sound sustainability criteria in our value investing approach. As Vietnam's modernization continues to shape the society in which we deploy assets, major macro shifts can be discerned, posing both challenges and opportunities. Rural development, urbanization and the growth of a more affluent demographic are examples of the trends that continue to seed change in local values and consumer patterns. As a responsible investor, we choose to invest in enterprises that demonstrate a commitment towards positive change within the communities they operate in and serve. By investing in the growth of living standards, more inclusive economic participation and higher value added products we can capitalize on the positive developments that our portfolio companies engender.

VNH avoids products and services with known negative effects in its target investment universe. The fund's exclusion criteria cover businesses dealing in tobacco, firearms, distilled alcohol and gambling, among others. In addition, each short-listed investment is thoroughly screened for controversial businesses practices during our intensive due diligence process. Companies engaged in pollution, child labor, bribery or other damaging business practices are excluded from our investment consideration.

As part of the investment process, our investment team identifies key environmental, social and governance issues through tailored industry analysis and direct requests for information with target companies. Where sustainability issues have a real or potentially significant impact on revenues or costs, they are systematically factored into the investment analysis. By monitoring these material performance indicators, VNH engages individual portfolio companies on the basis of their ESG profile and seeks to catalyze positive change. Our divestment policy captures companies that fail to demonstrate real awareness of – or consider improvements in – key sustainability issues.

PORTFOLIO COMPANIES: PROGRESS REPORT

Environment

Hau Giang Pharma (DHG)

The report of corporate, social and environmental responsibilities was for the first time incorporated into DHG's 2012 Annual Report. The report received high compliments from the readers for its clear disclosure of natural resource usage, parameters and results of air quality monitoring, methods for waste and hazardous substance diminution. DHG is employing about 11 tons of raw materials per day, 400 gram of paper per month, 30,000m³ of water per month and accumulates water bills of USD 105,000 per year. Values of air quality monitoring parameters at sampling are in permitted level of Vietnam industry standards. The company operates an advanced system wastewater treatment plant with at capacity of 400m³ per day. Exhaust gas is treated through dust air treatment system of each factory. Hazardous waste are collected and transferred to the licensed waste treatment plant of Holcim and completely destroyed at a temperature of 1,400°C to 2,000°C. The annual report includes DHG's position on energy and climate changes, proving bioequivalence, intellectual property and brand investment plus on product responsibilities in R&D activities.

Vinamilk (VNM)

With a focus on providing sustainable development and long-term benefits to the community, VNM dedicates time and resources to look for solutions to prevent pollution, reduce emissions and save natural resources. In 2012, VNM reduced its electricity, fuel oil and water per ton of products by 4.1%, 11.5% and 0.3%, respectively. VNM is also focusing on recycling its paper milk boxes and actively took part in annual events held by Waste Recycling Fund of Ho Chi Minh City. VNM was the first local company to join the Asian Corporate Governance Corporation (ACGA) in Hong Kong. For the first time, the company included a separate and comprehensive "corporate governance report" in its 2012 Annual Report.

Binh Minh Plastics (BMP)

BMP attributes business success to innovation and R&D. In 2012, the company launched new initiatives on energy saving and improved process efficiency. An "energy control" department was set up in both factories of BMP in Binh Duong and Hau Giang provinces. Results of assessment reports done by the Center of Environmental Technologies and Labor Safety were published in BMP's Annual Report with detailed measurements in dust, SO2, noise, temperature, and light. The company outperformed requirement standards in all aspects.

Social

An Giang Plant Protection (AGPPS)

In 2012, AGPPS used USD 191,000 from the company's Healthcare Fund for Farmers to provide free health check-up and medication to nearly sixty thousand poor people, ethnic minorities and people in particularly difficult circumstances in the remote and fringe areas of Vietnam and Cambodia. In addition, 1,662 poor people were provided with free eye care at a cost of nearly USD 95,000 sponsored by AGPPS. The Healthcare Fund for Farmers was established by AGPPS in 2004 in co-operation with voluntary doctors from Ho Chi Minh City and provinces. Every year, the fund sponsors for healthcare service to around 3,000 farmers and thousands of poor people in rural areas.

Vinamilk (VNM)

On the social front, Vinamilk through its "Nurturing Vietnamese Young Talents" Scholarship Fund had granted USD 859 thousand worth of scholarships to over 33 thousand primary school students in 63 provinces over the past 9 years since the Fund was launched. Its "Vietnam Never Stops Growing" Milk Fund had provided more than 273,000 children across the country with nearly 19 million glasses of milk with the total value of about USD 3.3 million since 2008.

Petrovietnam Drilling (PVD)

PVD has completed an integrated management system called Health – Safety - Environmental and Quality (HSEQ) at all stages of production and operations, which is certified to OHSAS 18001 standard by Det Norske Veritas (DNV). A separate HSEQ division was established to monitor and enhance the system through monthly reports, meetings, internal audits, and seminars as well as advising top management on the sustainable development of the company. In 2012, PVD developed medical management software which enables employees to monitor their own health indices and communicate with doctors for health consulting.

Governance

Vinamilk (VNM)

For the very first time, representatives of Vinamilk's BOD set up an annual meeting with minor shareholder group prior to 2012 Annual General Meeting. Mdm. Mai Kieu Lien met the group in person to address shareholders' queries about the company's performance and sustainable development. During the meeting, representatives of VietNam Holding recommended an ESOP scheme, additional independent members to the BOM and other improvements to the company's Annual Report. The group successfully nominated an independent Board member and an independent member of the Supervisory Board for the term 2013 – 2017.

Vietcombank (VCB)

As one of the largest banks in Vietnam, VCB regards sustainable development as the foundation for their business strategies. During the year, the bank has improved its Investor Relations function greatly through an increase in the number of meetings with investors and potential investors, as well as in the quality of their communication. VCB has greatly cooperated in the ESG assessment exercise performed by VietNam Holding, with emphasis on Corporate Governance practices. The bank looks forward to pursuing best practices in international standards. The report was shared with representatives of the BOM and several of our recommendations with regards to disclosure of corporate governance practices were reflected in VCB's 2012 Annual Report, under "The Bank Governance" section.

ACTIVE ENGAGEMENT

As an active investor, VietNam Holding assigns a high priority to the engagement mandate entrusted in us by our shareholders. During the past fiscal year the investment team has further developed its engagement initiatives, adding to the quality and number of achieved results.

The importance of sustainability topics in the context of active engagement with our portfolio companies has already been mentioned in the preceding Chairperson's Statement. The recent case of Dong Phu Rubber does indeed demonstrate how serious we are about this: In dialogues with NGO representatives, VNHAM learned a while ago that in the process of expanding its rubber plantation areas in Cambodia, Dong Phu Rubber was engaged in corporate action, social responsibility and environmental violations. We expressed our concern and asked for specific feedback from the top management. When these reports were substantiated in an in-depth report entitled 'Rubber Barons' published by the organization Global Witness, describing Dong Phu Rubber as one of the more important among several Vietnamese perpetrators in Cambodia, VNH swiftly exited its investments in the company.

Many if not the majority of the improvements in the areas environmental practices, corporate social responsibilities and corporate governance described in the previous section were the result on our collective active engagement. VNH and its investment manager remain fully committed to continue addressing crucial ESG issues in the constant dialogue with investee companies.

Director Engagement

The board of directors of VNH and its investment manager are committed to the established practice of engaging portfolio company executives in face-to-face meetings. Each VNH and VNHAM director is assigned to a few portfolio companies according to their industry specialization and follow a systematic engagement schedule of meeting with portfolio companies' top management during their visits to Vietnam which occur three times a year.

The investment team briefs directors on the important financial and ESG issues in advance of each visit, and directly benefits from their experience during the engagement. An important aspect of the director's engagement is the element of seniority that the directors bring to the engagement. When meeting such senior VNH representatives, local executives are challenged to answer pertinent and well informed inquiries.

Through these direct engagements VNH emphasizes the importance of enhanced company disclosure and transparency when engaging portfolio company executives. In many cases, tangible progress in annual reports and company websites are commendable and fuel VNH's ongoing commitments to spread ESG awareness and enforcement throughout Vietnam's corporate community. The fund continues to encourage portfolio company executives towards greater improvements in the quality and transparency of financial statements.

Results to date prove the effectiveness of our approach, and the directors of VNH and VNHAM will continue to develop their active engagement program.

VNH Forum

The VNH Forum events showcase international best practices through select international key-note speakers and panel sessions which feature mostly local experts. The Forum targets senior executives of private and State-owned Enterprises alike. Through these events, VNH seeks to foster awareness of value investment and sustainability principles within Vietnam's investment community. Past speakers have included local and international experts from finance, industry, academia and government bodies.

The last VNH Forum was held on 7 March 2013 in Ho Chi Minh City under the theme "Building Effective Boards: Strategic Role for Sustainable Growth". The key-note speaker Prof. Thomas Casas i Klett, who teaches Leadership in St. Gallen, Shanghai, Moscow, Toronto and Georgetown, two very prominent panelists and numerous participants discussed the importance of effective board structures in view of a sustainable development of companies through their strategic and supervising roles. Relevant examples and best practices in both domestic and international context were highlighted. The event was kindly supported and co-sponsored by the Hochiminh Stock Exchange. It was the 8th VNH Forum and this event series is to be continued in 2014.

Shareholder Voting

Over the past fiscal year VNH voted at every Annual General Meeting of its portfolio companies in which the fund held an equity position at the time of the AGM. It should be noted VNH was absent only at two AGMs: one company held its AGM just after a thorough director engagement roundtable meeting with the top management was completed, and one company was slated for divestment at the time of its AGM.

The voting activity of VNH was as follows:

- During the fiscal year VNH attended 23 AGMs where 197 individual agenda items were proposed. The investment team considered each issue on the basis of strategic merit and long-term profitability.

- VNH voted against the management of three companies on 5 individual issues. These 5 individual issues were finally approved by the AGMs.

CARBON FOOTPRINT

VNH is conscious of its corporate carbon footprint. With offices in Vietnam and Switzerland as well as an international Board of Directors, the emission of greenhouse gases tied to our activity is relatively high compared to the size of the organization. After the first CO^2 offsetting exercise in 2010 we have calculated the carbon footprint of our business activities for the fiscal years 2010 to 2013. In doing so, we considered the international and domestic air travel of our directors and staff as well as the energy consumption of our two offices. We have estimated that the carbon footprint of our travel activity amounts to 400.99 tons of CO^2, while the energy consumed in our offices amounts to 12.17 tons. We are offsetting the total 413.16 tons of CO^2 by supporting two small hydropower projects located in Kon Tum Province, Central Vietnam. By providing this rural and mountainous region with reliable and sustainable energy, these projects displace diesel generators and wood-fired lighting and heating, which leads to better air quality and reduces respiratory and eye diseases. In an effort to support sustainable development in the local communities, the project owner has funded the construction of canals, bridges, roads and even a school. We are going to continue in this commendable environmental and community enhancement efforts and will regularly report on our progress.

PARTNERSHIPS

Through the long-term relationships of our senior staff and advisors, and during the past eventful years as an investor in Vietnam, VNH has developed a strong local and international network of partnerships. The following organizations have contributed to shaping VNH's strategy and profile, and continue to support our desire to bring the sustainability agenda forward in Vietnam.

ASrIA

VNH continues to support the Association for Sustainable & Responsible Investment in Asia. We look forward to further association initiatives that push forward the sustainable investment dialogue in the context of Asia's private and public capital markets.

Global Compact

VietNam Holding Asset Management has been a founding member of the Global Compact network in Vietnam since 2007. Managed by the United Nations, the Global Compact is a strategic policy initiative for companies that wish to align their activities with ten key principles in the public and private sectors.

Hochiminh Stock Exchange

The Hochiminh Stock Exchange (HOSE) co-sponsored the 8th VNH Forum, which took place on 7 March 2013 in Ho Chi Minh City under the theme "Building Effective Boards: Strategic Role for Sustainable Growth". HOSE is the largest stock exchange in Vietnam with a market capitalization of USD 34.8 million as of 30 June 2013.

PRI

At the VNH's AGM in 2009, shareholders voted to endorse the comprehensive alignment of VNH's investment policy with the United Nations Principles for Responsible Investment. As a consequence, ESG factors are now fully incorporated into our investment analysis and engagement strategy.

South Pole Carbon

South Pole Carbon helped VNH to calculate its CO^2 footprint for the past three fiscal years and to identify a suitable project in Vietnam to offset these emissions properly. South Pole Carbon is a Swiss-based and globally leading developer of emission reduction projects, climate action solution provider and carbon asset manager.

Sustainability Report

One of the two hydropower projects supported by VNH through South Pole Carbon in order to offset the Company's CO^2 emissions.

Both projects are located in Kon Tum Province, a rural and mountainous region in Central Vietnam.

Besides the new power house the project has also funded the construction of roads, bridges, canals and even a school in the local communities.

The overall goal of the project is to support sustainable development and a betterment of the local population's living standard.

Directors' Report

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 the investment is made. The sale of any investment in which the Company holds 4% or more of the total share capital of the respective portfolio company is also subject to the approval of the Board.

Presently the Board consists of three non-executive Directors, all of whom are regarded by the Board as independent, including the Chairperson, and are subject to re-election annually. The Board takes careful consideration when recommending Directors for re-election and considers that the length of service alone does not necessarily restrict Directors from seeking re-election. Those currently serving as Directors are:

Mrs. Min-Hwa Hu Kupfer, Chairperson
Professor Rolf Dubs
Mr. Nguyen Quoc Khanh

The Board maintains two committees, an Audit Committee and a Corporate Governance Committee. Recognizing the importance of sound governance commensurate with the size of the Board and the interests of the Shareholders, the Directors work closely on all Board matters. Both committees are made up of all three Directors.

The Audit Committee, chaired by Mr. Nguyen Quoc Khanh, 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 and 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.

The Corporate Governance Committee, chaired by Professor Rolf Dubs, is responsible for the governance of the Company and the Company's relationships with multiple constituents including the Investment Manager and its affiliates. It has adopted a code of ethics and other best practices of corporate governance which it considers appropriate for the size and activities of the Company.

The Board met quarterly and held two additional telephonic Board meetings during fiscal year 2013. After careful consideration of the Vietnam market conditions and outlook, as well as the potential costs and benefits associated with the proposed changes, the Board called an Extraordinary General Meeting in November 2012 and obtained shareholder approval to extend the maturity of the Company's 18.19 million warrants outstanding that were due to expire in December of last year. Under this approved extension, the warrant holders are given two exercise dates in addition to the original date of exercise. The final exercise date of the warrants is now 25 September 2013.

Concurrently with each board meeting, the Board reviewed extensively with the Investment Manager the status and the performance of the portfolio, including investment themes, pipelines, divestures, industry trends and peer group performance comparisons. Following the recommendations made under the portfolio management policy of the Investment Manager, the Board approved and/or ratified the asset allocation limits and target position of each equity investment in every quarterly review. The Board monitored and approved the portfolio rebalancing activities where the Investment Manager exited nine portfolio companies and initiated five new investments thereby reducing the number of equity holdings in the portfolio from twenty-nine to twenty-five during fiscal year 2013.

The share buy-back program and share price discount control programs were also reviewed quarterly during the board meetings. As had been the case in the past several years, the Company continued to hold its regular investor presentations in Europe to meet and engage with shareholders.

The Board also reviewed regularly the on-going expenditures of the Company, the variance between actual expenses incurred as compared to the respective budgeted items as well as the, costs, terms and performance of its service providers.

The Audit Committee held four meetings in the past year in parallel with the board meetings. Risk Management and Compliance reporting were reviewed and risk control issues were evaluated by the Committee in each of the quarterly meetings. During the year, the Risk Management Committee of the Board of the Investment Manager was formalized.

Working with the Risk Management Committee Chair and the CEO of the Investment Manager, the Audit Committee Chair oversaw the internal audit which took place in the second quarter of 2013. This is the fourth internal audit of the Investment Manager since the inception of the Fund. Its focus was to identify risks and controls associated with the investment process, including investment research, investment selection and portfolio management, and to test the operating effectiveness of the controls over the investment process. The Committee reviewed the internal audit findings, encompassing the management responses and the agreed action plan to address issues which were highlighted during the field testing and in the final report.

The Corporate Governance Committee also met four times concurrently with the quarterly board meetings. The Investment Manager presented its strategic plans, financial positions and organizational development during each of the Committee meetings.

The Committee conducted the yearly performance review of the Investment Manager and approved the Key Performance Indicators as jointly recommended by the CEO and the Board of the Investment Manager. The Committee also oversaw the annual certification of "VNH Code of Ethics" by all employees and Board members of the Investment Manager and the Company.

Starting in December 2012, the Committee began the practices of evaluating in each of its quarterly meetings the effectiveness of the Board, including how well the Directors are engaged in and informed of the key developments of the Company by its Chairperson. The results of the evaluations will be incorporated into an annual review of Board performance.

Since the second quarter of 2013, the Investment Manager has provided advisory services to a separate Vietnam equity fund. A Conflict of Interest Policy of the Investment Manager has since been presented and accepted by the Committee.

Remuneration

The remuneration of each of the Company's Directors contains two parts:

1. Base Fee
2. Committee and Board related service, including attendance of Committee and Board meetings, based on the number of days worked.

In 2013, the Company's Directors' Base Fees were:

Mrs. Min-Hwa Hu Kupfer	USD 28,000
Professor Rolf Dubs	USD 20,000
Mr. Nguyen Quoc Khanh	USD 20,000

For attendance in person at each Committee and Board meeting, which took place quarterly, each Director was paid USD 1,500. For attending any Committee or Board meeting held telephonically, each Director was paid USD 750 per meeting. Each Director was also compensated USD 1,500 per day for rendering services related to Committee and Board initiatives.

The total remuneration of the Company's Directors in FY 2012-13 as the result of meeting attendance and additional days worked was USD 159,500 as follows:

Mrs. Min-Hwa Hu Kupfer, Chairperson	USD 82,000
Professor Rolf Dubs, Director & Chair of Corp. Governance Committee	USD 41,000
Mr. Nguyen Quoc Khanh, Director & Chair of Audit Committee	USD 36,500

There has been no change made to the Company's Directors' remuneration policy in the past year.

Ownership of VietNam Holding

Mrs. Min-Hwa Hu Kupfer	30,000 shares and 6,666 warrants
Professor Rolf Dubs	20,000 shares and 15,000 warrants
Mr. Nguyen Quoc Khanh	10,000 shares

During the year, the Directors increased their ownership of the Company from 40,000 shares to 60,000 shares as Mr. Khanh acquired 10,000 shares and Professor Dubs exercised 10,000 warrants and converted them into shares. As of 30 June 2013, the Board holds 21,666 warrants issued by the Company.

In 2012-2013, there were no related-party transactions between the Company and any of its Directors, other than that mentioned in the accounts.

On behalf of the Board of Directors:

Min-Hwa Hu Kupfer
Chairperson
14 August 2013

Independent Auditor's Report

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Report on the financial statements
We have audited the accompanying financial statements on pages 14 to 28 of VietNam Holding Limited ("the Company"), which comprise the statement of financial position as at 30 June 2013, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements
Management 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 management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility
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. 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 our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider 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 management, 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 present fairly, in all material respects, the financial position of the Company as at 30 June 2013, 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.

KPMG LLP
Public Accountants and Chartered Accountants

Kpmg llp

Singapore
14 August 2013

Statement of Financial Position

as at 30 June 2013

	Note	2013 USD	2012 USD
Assets			
Cash and cash equivalents		2,671,910	3,070,132
Investments in securities at fair value	3	83,939,007	66,709,452
Accrued dividends		374,108	143,418
Receivables on sale of investments	5	1,326,054	-
Other receivables	5	-	73,695
Total assets		**88,311,079**	**69,996,697**
Equity			
Share capital	6	109,507,940	110,484,090
Retained earnings		(22,239,418)	(40,988,061)
Total equity		**87,268,522**	**69,496,029**
Liabilities			
Payables on purchase of investments		705,228	64,856
Accrued expenses		337,329	435,812
Total liabilities		**1,042,557**	**500,668**
Total equity and liabilities		**88,311,079**	**69,996,697**
Total equity represented by:			
Net assets attributable to shareholders (last traded prices)		88,198,156	70,477,461
Adjustment from last traded prices to bid – market prices		(929,634)	(981,432)
Net assets attributable to shareholders (bid – market prices)		87,268,522	69,496,029

The net asset value per share based on last traded prices was USD 1.648 as at 30 June 2013 (2012: USD 1.295) calculated as per the prospectus, and the net asset value per share based on bid-market prices, calculated as per IFRS, was USD 1.630 as at 30 June 2013 (2012: USD 1.277). This is based on 53,530,411 shares outstanding (2012: 54,417,112).

The financial statements on pages 31 to 45 were approved by the Board of Directors on 14 August 2013 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 accompanying notes form an integral part of these financial statements.

Statement of Comprehensive Income

for the year ended 30 June 2013

	Note	2013 USD	2012 USD
Dividend income from equity securities at fair value through profit or loss		4,043,206	4,307,641
Net gain from equity securities at fair value through profit or loss	7	17,445,739	7,219,778
Net foreign exchange loss		(31,491)	(56,113)
Net investment income		**21,457,454**	**11,471,306**
Investment management fees	8	1,465,670	1,290,909
Advisory fees		163,327	146,115
Accounting fees	10	83,250	98,250
Custodian fees	9	76,159	101,460
Directors' fees and expenses	8	214,511	255,885
Brokerage fees		62,000	62,268
Audit fees		43,667	51,076
Publicity and investor relations fees		278,082	233,278
Insurance costs		50,000	45,000
Administrative expenses		177,145	226,810
Risk management expenses		60,000	30,096
Technical assistance for investee companies		35,000	9,666
Total operating expenses		**2,708,811**	**2,550,813**
Change in net assets attributable to shareholders		**18,748,643**	**8,920,493**
Earnings per share – basic and diluted	14	0.35	0.16

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

Statement of Changes in Equity

for the year ended 30 June 2013

	Share Capital USD	Reserve for own shares USD	Retained Earnings USD	Total USD
Balance at 1 July 2011	112,181,354	-	(49,908,554)	62,272,800
Repurchase and cancellation of shares (note 6)	(965,429)	-	-	(965,429)
Repurchase of own shares (note 6)	-	(176,302)	-	(176,302)
Warrants issuance cost	(555,533)	-	-	(555,533)
	(1,520,962)	(176,302)	-	(1,697,264)
Total comprehensive income for the year				
Change in net assets attributable to shareholders	-	-	8,920,493	8,920,493
Balance at 30 June 2012	110,660,392	(176,302)	(40,988,061)	69,496,029
Balance at 1 July 2012	110,660,392	(176,302)	(40,988,061)	69,496,029
Issuance of ordinary shares	304,598	-	-	304,598
Repurchase and cancellation of shares (note 6)	-	-	-	-
Repurchase of own shares (note 6)	-	(1,259,873)	-	(1,259,873)
Warrants issuance cost	(20,875)	-	-	(20,875)
	110,944,115	(1,436,175)	(40,988,061)	68,519,879
Total comprehensive income for the year				
Change in net assets attributable to shareholders	-	-	18,748,643	18,748,643
Balance at 30 June 2013	**110,944,115**	**(1,436,175)**	**(22,239,418)**	**87,268,522**

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

Statement of Cash Flows

for the year ended 30 June 2012

	Note	2013 USD	2012 USD
Cash flows from operating activities			
Change in net assets attributable to shareholders		18,748,643	8,920,493
Adjustments to reconcile change in net assets attributable to shareholders to net cash from operating activities:			
Dividend income		(4,043,206)	(4,307,641)
Net gain from equity securities at fair value through profit or loss		(17,445,739)	(7,219,778)
Purchase of investments		(15,961,424)	(17,068,156)
Proceeds from sale of investments		15,491,926	17,794,054
Net foreign exchange loss		31,491	56,113
Decrease/(Increase) in other receivables		73,695	(73,695)
(Decrease)/Increase in accrued expenses		(98,483)	63,302
Dividends received		3,812,516	4,218,963
Net cash from operating activities		609,419	2,383,655
Cash flows from financing activities			
Issuance of ordinary shares		304,598	-
Payment for buy-back of shares	6	-	(965,429)
Repurchase of own shares	6	(1,259,873)	(176,302)
Warrants issuance cost		(20,875)	(555,533)
Net cash used in financing activities		(976,150)	(1,697,264)
Net (decrease)/increase in cash and cash equivalents		(366,731)	686,391
Cash and cash equivalents at beginning of the year		3,070,132	2,439,854
Effect of exchange rate fluctuations on cash held		(31,491)	(56,113)
Cash and cash equivalents at end of the year		**2,671,910**	**3,070,132**

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

Notes to the Financial Statements

Year ended 30 June 2013

1 THE COMPANY

VietNam Holding Limited ("VNH" or "the Company") is a closed-end investment holding company incorporated on 20 April 2006 as an exempt company under the Companies Law in the Cayman Islands and commenced its operations on 15 June 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.

In 2013, the Board of Directors ("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 either of such resolutions is not passed the Board will, at that annual general meeting or at an extraordinary general meeting held within six 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. Shareholders will only be able to realise their investment by selling their ordinary shares or participating in any redemption or purchase of ordinary shares by the Company.

VietNam Holding Asset Management Limited ("VNHAM") is 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.

Standard Chartered Bank, Singapore Branch and Standard Chartered Bank (Vietnam) Limited are the custodian and the sub-custodian respectively. Standard Chartered Bank, Singapore Branch is also the administrator.

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 (IFRSs) as adopted by the European Union.

(b) Basis of preparation

The financial statements are presented in United States dollars ("USD"). They are prepared on a fair value basis for financial assets and financial liabilities at fair value through profit or loss. Other assets and liabilities are stated at amortised cost.

The Company's shares were issued in USD and the listings of the shares on the AIM market of the London Stock Exchange and the Entry Standard of the Frankfurt Stock Exchange are in USD and Euro, respectively. 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 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 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.

2 PRINCIPAL ACCOUNTING POLICIES (continued)

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.

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. 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 ("NAV") calculated as per the prospectus. Therefore a reconciliation between the measure of NAV used by the Board and that contained in these financial statements has been provided in a footnote to the statement of financial position.

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

There were no new IFRS standards applied for the year ended 30 June 2013.

(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 at fair value through profit or loss 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 are 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 measured at amortised cost.

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

(ii) Recognition

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

Financial assets and financial liabilities at fair value through profit or loss are recognised initially at fair value, which transaction costs recognised in profit or loss. Financial assets or financial liabilities not at fair value through profit or loss are recognised initially at fair value plus transaction costs that are directly attributable to their acquisition or issue.

(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 the 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.

2 PRINCIPAL ACCOUNTING POLICIES (continued)

(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 reporting date without any deduction for transaction costs.

If the securities are not listed, the value of the relevant securities is ascertained by the Board 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 30 June 2013, 9.0% (2012: 12.5%) 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 reporting 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 impairment is reversed through the statement of comprehensive income.

(vii) 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) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position 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.

(g) 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.

2 PRINCIPAL ACCOUNTING POLICIES (continued)

(h) 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 2 May 2006.

The Company is liable to Vietnamese tax of 0.1% (2012: 0.1%) on the sales proceeds of the onshore sale of equity investments. This is included in net gain/(loss) from equity securities at fair value through profit or loss.

(i) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effect.

Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own share account. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

(j) Adoption of new and revised standards

Adoption of new standards and amendments to existing standards

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2012, and have not been applied in preparing these financial statements. None of these are expected to have significant effect on the measurement of the amounts recognised in the financial statements of the Company.

IFRS 13 – Fair Value Measurement

Effective for the Company's financial statements for the year ending 30 June 2014.

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.

3 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

Financial assets of the Company include investments in securities, cash and cash equivalents and accrued income. Financial liabilities comprise 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 in the Vietnamese market.

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

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

	2013		2012	
	Fair value in USD	% of net assets	Fair value in USD	% of net assets
Shares and similar investments – listed	76,026,001	87.12	58,014,009	83.48
Shares and similar investments – unlisted	7,913,006	9.07	8,695,443	12.51
	83,939,007	**96.19**	**66,709,452**	**95.99**

investment types:

At 30 June 2013, a 5% reduction in the market value of the portfolio would have led to a reduction in NAV and profit or loss of USD 4,196,950 (2012: USD 3,335,473). A 5% increase in market value would have lead to an equal and opposite effect on NAV and profit or loss.

Currency risk

The Company may invest in financial instruments and enter into transactions denominated in currencies other than its functional currency. 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 Board at least once each 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.

3 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

As at 30 June 2013 the Company had the following currency exposures:

	Fair value	
	2013 USD	2012 USD
Vietnamese Dong	85,981,766	67,652,030
Pound Sterling	176,749	573,908
Swiss Franc	40,784	286,397
Euro	947	50,618
	86,200,226	**68,562,953**

At 30 June 2013, a 5% reduction in the value of the Vietnamese Dong, Pound Sterling, Swiss Franc, Euro would have lead to a reduction in NAV and profit or loss of USD 4,299,085 (2012: USD 3,382,602), USD 8,837 (2012: USD 28,695), USD 2,039 (2012: USD 14,320) and USD 47 (2012: USD 2,531) 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 30 June 2013, the following financial assets were exposed to credit risk (including settlement risk): cash and cash equivalents, accrued dividend, receivable from sale of investments and other receivables. The total amount of financial assets exposed to credit risk amounted to USD 4,372,073 (2012: USD 3,256,836).

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

Liquidity risk

The Company, a closed-end investment company, invests in companies through listings on the Vietnam stock exchanges or on other stock exchanges. There is no guarantee however that the Vietnam stock exchanges will provide liquidity for the Company's investments. The Company also invests in equity securities which are not listed on stock exchanges. 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. 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.

4 OPERATING SEGMENTS

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

The Company is domiciled in the Cayman Islands. Entity wide disclosures are provided 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 in Vietnam as at 30 June 2013 and 30 June 2012. All of the Company's investment income can be attributed to Vietnam for the years ended 30 June 2013 and 30 June 2012.

5 OTHER RECEIVABLES

	2013 USD	2012 USD
Other receivables	-	43,286
Prepayment	-	30,409
	-	**73,695**

6 SHARE CAPITAL

Ordinary shares of USD 1 each

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 each. According to the Companies Law and articles of association, the Company may from time to time redeem all or any portion of the shares held by the shareholders upon giving notice of not less than 30 calendar days to the shareholders.

On 6 June 2006, the Board resolved that 56,250,000 ordinary shares would be allotted at a placing price of USD 2 per ordinary share. The ISIN number of the ordinary shares is KYG9361X043.

On 23 September 2010, during its annual general meeting, the shareholders approved a Share Repurchase Programme.

	Number of shares
Shares issued and fully paid in 2006	56,250,000
Repurchased and cancelled:	
Year ended 30 June 2011	(343,138)
Year ended 30 June 2012	(1,324,750)
Year ended 30 June 2013	-
Total shares repurchased and cancelled	(1,667,888)
Number of share after repurchased and cancelled	54,582,112
Repurchased and reserved for own shares	
Year ended 30 June 2012	(165,000)
Year ended 30 June 2013	(1,141,381)
	(1,306,381)
Shares issued upon exercise of warrants	254,680
Total outstanding ordinary shares with voting rights	**53,530,411**

As a result, the Company now has 53,530,411 (2012: 54,417,112) ordinary shares with voting rights in issue (excluding the reserve for own shares), and 1,306,381 (2012: 165,000) are held as reserve for own shares.

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.

Incremental costs directly attributable to the issue or redemption of ordinary 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 at its discretion, either use the proceeds of sales of investments to meet the Company's expenses or distribute them to shareholders. Alternatively, the Board of Directors may redeem ordinary shares with such proceeds for shareholders pro rata to their shareholding upon giving notice of not less than 30 calendar days 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 SHARE CAPITAL (continued)

Warrants

On 21 May 2012, the Company issued a Prospectus for a bonus issue of warrants to shareholders pro rata, on the basis of one warrant for every three ordinary shares held. The exercise date of these warrants was initially on 13 December 2012 with an exercise price of USD 1.196 per share. Both Shareholders and Warrantholders gave their approval to a proposal of extension of the term of the warrants through the addition of two exercise dates, 25 April 2013 and 25 September 2013.

A total of 18,194,037 (2012: 18,194,037) warrants were issued and were listed on AIM. At the reporting date, 17,939,357 (2012: 18,194,037) warrants were outstanding.

On 13 December 2012 and 25 April 2013, 32,930 and 221,750 shares were issued following the exercise of subscription rights by holders of the warrants.

Although there can be no certainty as to whether any or all of the remaining warrants will be exercised, if the bonus issue proceeds and all of the remaining warrants are exercised on the exercise date at the exercise price, the maximum net proceeds that could arise on such exercise would be approximately USD 21.8 million. The net proceeds arising on the exercise of the remaining warrants will be invested in accordance with the Company's investment policy.

7 NET GAIN FROM EQUITY SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	2013 USD	2012 USD
Net gain from equity securities at fair value through profit or loss:		
Realised loss	(7,217,354)	(18,307,227)
Adjustment to fair value of equity securities at fair value through profit or loss	24,663,093	25,527,005
	17,445,739	**7,219,778**

8 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 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 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 30 June 2013 were USD 1,465,670 (2012: USD 1,290,909) as a management fee.

No performance fee was due as at 30 June 2013 or at 30 June 2012.

Directors' fees and expenses

The Board determines 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 also pays 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.

The charges for the year for the Directors fees were USD 159,500 (2012: USD 173,000) and expenses were USD 55,011 (2012: USD 82,885).

8 RELATED PARTY TRANSACTIONS (continued)

Directors' ownership of shares and warrants

As at 30 June 2013, three Directors, Min-Hwa Hu Kupfer, Nguyen Quoc Khanh and Rolf Dubs held 30,000 (2012: 30,000), 10,000 (2012: Nil) and 20,000 (2012: 10,000) ordinary shares of the Company respectively, representing 0.06% (2012: 0.06%), 0.02% (2012: Nil) and 0.04% (2012: 0.02%) of the total shares outstanding.

As at 30 June 2013, Min-Hwa Hu Kupfer and Rolf Dubs held 6,666 (2012: 6,666) and 15,000 (2012: 25,000) warrants to subscribe ordinary shares, representing 0.04% (2012: 0.04%) and 0.08% (2012: 0.14%) of the total warrants issued respectively.

9 CUSTODIAN FEES

Custodian fees are charged at a minimum of USD 12,000 per annum and received as a fee of 0.08% on the assets under administration ("AUA") per annum. Custodian fees comprise safekeeping fees, transaction fees, money transfer fees and other fees. Safekeeping of unlisted securities up to 20 securities is charged at USD 12,000 per annum. Transaction fees, money transfers fees and other fees are charged on a transaction basis.

The charges for the year for the Custodian fees were USD 76,159 (2012: USD 101,460).

10 ADMINISTRATIVE AND ACCOUNTING FEES

The administrator receives a fee of 0.07% per annum for assets under administration ("AUA") less than USD 100,000,000; or 0.06% per annum for AUA greater than USD 100,000,000 calculated on the basis of the net assets of the Company, subject to an annual minimum amount of USD 5,500 per month.

The charges for the year for the Administration and Accounting fees were USD 83,250 (2012: USD 98,250).

11 CONTROLLING PARTY

The Directors are not aware of any ultimate controlling party as at 30 June 2013 or 30 June 2012.

12 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 Company considers relevant and observable market prices in its valuations where possible. The carrying amounts of financial assets at 30 June 2013 and 30 June 2012 are as follows:

12 FAIR VALUE INFORMATION (continued)

The carrying amounts of financial assets at 30 June 2013 and 30 June 2012 are as follows:

	Level 1 USD	Level 2 USD	Level 3 USD	Level 4 USD
2013				
Financial assets designated at fair value upon initial recognition				
Equity investments	76,026,001	-	7,913,006	83,939,007
2012				
Financial assets designated at fair value upon initial recognition				
Equity investments	58,014,009	-	8,695,443	66,709,452

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.

Although the Company believes that its estimates of fair value are appropriate, the use of different assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, if the reasonable possible alternative assumptions were increased/decreased by 10%, the impact on profit/(loss) would be USD 791,301 (2012: USD 869,544).

Level 3 reconciliation

Financial assets designated at fair value through profit or loss	2013 USD	2012 USD
Balance at 1 July	8,695,443	10,396,429
Sales	-	(3,764,155)
Total gains and losses recognised in profit or loss *	(782,437)	2,063,169
Balance at 30 June	**7,913,006**	**8,695,443**

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

13 CLASSFICATIONS AND FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The table below provides a breakdown of the line items in the Company's statement of financial position to the categories of financial instruments.

	Note	Designated as at fair value USD	Loans and receivables USD	Other liabilities USD	Total carrying amount USD
2013					
Cash and cash equivalents		-	2,671,910	-	2,671,910
Investments in securities at fair value	3	83,939,007	-	-	83,939,007
Accrued dividends		-	374,108	-	374,108
Receivables from sale of investments		-	1,326,054	-	1,326,054
Other receivables	5	-	-	-	-
		83,939,007	4,372,072	-	88,311,079
Payable on purchase of investments		-	-	705,228	705,228
Accrued expenses		-	-	337,329	337,329
		-	-	1,042,557	1,042,557
2012					
Cash and cash equivalents		-	3,070,132	-	3,070,132
Investments in securities at fair value	3	66,709,452	-	-	66,709,452
Accrued dividends		-	143,418	-	143,418
Other receivables	5	-	73,695	-	73,695
		66,709,452	3,287,245	-	69,996,697
Payable on purchase of investments		-	-	64,856	64,856
Accrued expenses		-	-	435,812	435,812
		-	-	500,668	500,668

14 EARNINGS PER SHARE

The calculation of earnings per share at 30 June 2013 was based on the change in net assets attributable to ordinary shareholders of USD 18,748,643 (2012: USD 8,920,493) and the weighted average number of shares outstanding of 53,894,886 (2012: 54,998,948).

At the reporting date, the warrants in issue are anti-dilutive and hence disregarded in the calculation of diluted earnings per share.

Corporate Information

VIETNAM HOLDING BOARD OF DIRECTORS

Min-Hwa Hu Kupfer
Chairperson
Most recently the President of GE Capital Finance in China, Mrs. Kupfer has over 25 years of experience serving in several senior executive positions in banking and management throughout the world. Her banking career includes many years with Bank One as Senior Vice President and Head of Middle Market and Retail Strategy, as well as the First National Bank of Chicago where she served as Country Manager, China. During that assignment, Mrs. Kupfer held the highly visible Chairmanship of the American Chamber of Commerce in China, the first female executive to hold such a position in that country. She has a broad and deep insight into many parts of Asia, having travelled extensively for business within South-East Asia while based in Singapore. Mrs. Kupfer holds a BS degree from the National Taiwan University, an MS from the University of Illinois, and an MBA from the University of Chicago. She is a US citizen and was born in Taiwan.

Nguyen Quoc Khanh
Head of the Audit Committee
Mr. Khanh completed his studies in France with a Masters in Mining Engineering, and spent his entire professional career with the Shell Group. He held several senior management and finance positions in many countries, before serving as Chairman and CEO of Shell Vietnam from 1996 until 2002. Mr. Khanh lives in France as well as in Vietnam, and is an active private equity investor.

Professor Rolf Dubs
Head of the Corporate Governance Committee
Professor Dubs is the former President of the HSG University of St. Gallen, Europe's leading German-speaking economics university. He also taught at Harvard and Stanford universities, as well as several other leading global institutions. Outside the classroom, Professor Dubs has a long record of service on the corporate boards of many major Swiss and international corporations. For many years, he has taken an active role in numerous Swiss government projects in Vietnam's education sector, as well as in providing technical assistance to the country's financial markets.

INVESTMENT MANAGER – VIETNAM HOLDING ASSET MANAGEMENT

Board of Directors

Jean-Christophe Ganz
Chairman and Head of the Investment Committee
Jean-Christophe Ganz, served in several senior management positions with ING Bank in Geneva, Bratislava and Zurich, as well as more recently as a business consultant specializing in M&A, privatizations, and corporate restructuring. He has also served on the boards of several private equity investment companies active in real estate development and financial asset management. Mr. Ganz holds a law degree from the University of Lausanne.

Donald Van Stone
Vice-Chairman
Mr. Van Stone served as Executive Vice President of MasterCard International in Europe, Middle East and Africa, and was President of its Middle East/Africa region. Previously he was MasterCard's General Manager in Southeast Asia, based in Singapore. His previous, extensive global banking career included senior management assignments with major banks in six countries and service as the CEO of First City Bank in Austin, Texas. Mr. Van Stone holds a BS degree in Physics and a Harvard MBA with high distinction.

Iris Fang
Board Member
Mrs. Fang has more than 30 years of experience in the banking industry, including assignments in New York City, San Francisco, Los Angeles, Singapore as well as Vietnam. Her extensive career included positions in structured finance and strategy at various financial institutions such as Bank of America, Chase Manhattan Bank and Standard Chartered Bank where she was Regional Head of Strategy for the Asia and CEO Vietnam from 1995-1997. Ms. Fang is now based in Vietnam where she acts as a consultant and advisor to several Vietnamese companies and also lectures at RMIT International Vietnam. Mrs. Fang holds an MBA and Bachelors of Business from the University of Georgia, USA with a Major in Marketing, Banking and Finance.

ADVISORY COUNCIL

Dr. Le Dang Doanh

Dr. Doanh is an Advisor to the Vietnam Ministry of Planning and Investments (MPI). He was a permanent member of many goverment entities, including the Government Commission for State-owned Enterprises Reform, and the National Commission for Finance and Monetary Policy. Dr. Doanh has held many senior government and party positions and was Vice President, Vice-Minister and finally President of the Central Institute for Economic Management (CIEM). He is a visiting professor at the Nihon University in Tokyo. Dr. Doanh earned his Ph.D. at the National Economics University in Hanoi, has concluded post graduate studies at the Academy for National Economy in Moscow and graduated at the Technical University of Leuna-Merseburg in Germany.

Dr. Cao Si Kiem

Dr. Kiem was the Governor of the State Bank of Vietnam, the country's central bank, from 1989 until 1997. He currently serves as the Deputy Chief of the Central Party's Economics Board, is the Vice President of the Consulting Committee for National Monetary Policy, and is Chairman of the Association of Vietnam's Small and Medium Scale Enterprises. Since January 2006, Dr. Kiem has served as the Vice Chairman of the Vietnamese Learning Promotion Association. His previous positions in Vietnam include Secretary of the Communist Party Committee, and Director of the State Bank of Thai Binh Province. Dr. Kiem earned his Ph.D. in economics at the National Economics University of Vietnam.

Dr. Le Thi Bang Tam

Dr. Tam served until 2008 as the Chairperson of the Board of Directors of the State Capital Investment Corporation (SCIC), which was established in April 2006 by the Prime Minister to manage government shareholdings in privatized State-Owned Enterprises. Before her SCIC assignment, Dr. Tam served 11 years as a Vice Minister at the Ministry of Finance of Vietnam with core responsibilities in State treasury and budget management, external financing and international cooperation, capital market development, financial services and State-Owned Enterprises reform program. Dr. Le Thi Bang Tam was formerly a lecturer on economics and finance at the Hanoi University for Accounting. Dr. Tam was also a member of the National Committee for International Economic cooperation, and a member of the National Committee of monetary and finance policy. Dr. Tam received a PhD in Economics and Finance from Saint Petersburg State University of Economics and Finance, Saint Petersburg, Russia, and a Bachelor's degree from the Hanoi University of Accounting and Finance.

Markus Winkler

Mr. Winkler is the founder and Chairman of VGZ, an investment management firm in Zurich. He completed his studies at the HSG University of St. Gallen. His primary interest lies in undervalued investments, particularly in emerging markets. He is known as "Mr. Vietnam" in Switzerland and Germany and due to his extensive knowledge and investment acumen has long been considered a leading source for investment advice on Asia's emerging markets.

Corporate Information

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Professor Dr. Rolf Dubs
Nguyen Quoc Khanh

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VietNam Holding became a signatory of the UN Principles for Responsible Investment (PRI) in 2009. Our investment practices and corporate behavior incorporate environmental, social and corporate governance issues. We promote the principles in our markets and align the fund's goals with the broader objectives of sustainable progress.

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