

VietNam Holding Limited

(a company incorporated with limited liability in the Cayman Islands)

Financial Statements

For the year ended June 30, 2010

(with Independent Auditor's report thereon)

VietNam Holding Limited
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VietNam Holding Limited
Key parties

Directors	Min Hwa Hu Kupfer Professor Dr. Rolf Dubs Nguyen Quoc Khanh
Registered Office, Company Secretary and Registrar	CARD Corporate Services Ltd. Fourth Floor, Zephyr House 122 Mary Street PO Box 709 GT Grand Cayman, KY1-1107, Cayman Islands
Nominated Adviser (AIM)	Grant Thornton Corporate Finance 30 Finsbury Square London EC2P 2YU, United Kingdom
Listing Partner (ES)	Youmex AG Beethovenstrasse 12-16 D-60325 Frankfurt am Main, Germany
Broker	JP Morgan Cazenove 20 Moorgate London EC2R 6DA, United Kingdom
Vietnam Sub-Custodian	The Hong Kong and Shanghai Banking Corporation Limited The Metropolitan 235 Dong Khoi Street District 1 Ho Chi Minh City, Vietnam
Investment Manager	Vietnam Holding Asset Management Ltd. P.O. Box 3175 Road Town, Tortola British Virgin Islands
Administrator	Credit Suisse Asset Management Fund Service (Luxembourg) S.A. 5, rue Jean Monnet L – 2180 Luxembourg
Independent Auditor ("Réviseur d'Entreprises agréé")	KPMG Audit S.à r.l. 9, Allée Scheffer L – 2520 Luxembourg
Custodian and Trustee	Credit Suisse Paradeplatz 8 CH-8001 Zürich, Switzerland
UK Legal Advisor	Allen & Overy LLP 1 Bishops Square London E1 6AD, United Kingdom
Legal Advisor to the Company (as to Cayman Islands law)	Charles Adams Ritchie & Duckworth Zephyr House 122 Mary Street, PO Box 709 GT Grand Cayman, KY1-1107, Cayman Islands



VIETNAM HOLDING

Dear Shareholders,

As the more immediate perils posed by the global economic downturn have receded, it is clear that Vietnam's economy withstood its impact relatively well. GDP growth in 2009 stayed above 5%, and will likely return to the long-term norm of 6-7% in 2010. Indeed, it can be argued that the global economic dip helped cool a domestic economy that was showing signs of over-heating in 2008.

Vietnam's economic resilience can be attributed to a number of factors. A relatively bold economic stimulus package clearly paid its part, both on the monetary and fiscal fronts. In addition, domestic demand proved more robust than most observers had anticipated, and export volumes and revenues held up surprisingly well. As Vietnam's GDP passes the landmark US\$100bn figure built largely on exports, the foundations of a growing domestic market are becoming increasingly apparent in the world's 13th largest country, by population. Inevitably perhaps, parallels are often drawn between Vietnam and its neighbour and other long-term East Asian economic survivor – China. Undergoing a broadly similar process of economic transition and business liberalisation, both seek to retain a socialist orientation at the policy level. And, in addition to a common border the two countries share a number of similar characteristics, including some key economic growth drivers.

The first of these is demographics, and the strong cultural emphasis placed on education in both countries. However, Vietnam's youthful demographic profile – a quarter of the population is 14 years old or younger – should better support longer term growth, particularly if strides can continue to be made in improving educational standards.

Foreign direct investment (FDI) has been important for both China and Vietnam in developing a more advanced corporate sector, and particularly one able to penetrate the lucrative major and highly competitive export markets. In this regard, Vietnam's reliance on relatively larger FDI inflows, on a per capita basis, has been markedly greater than China's. Vietnam's accession to the WTO was of particular help in stimulating a new wave of FDI activity. In addition, high levels of fixed domestic investment are another common feature of both China's and Vietnam's economic growth model. A high national savings rate is another common denominator, as both individuals and corporates in both countries tend to retain as much of their earnings as possible. As a large portion of personal savings in Vietnam are kept outside the formal banking sector, the real scale of this hidden reserve is not always fully appreciated.

Domestic consumption as a proportion of GDP, is actually higher in Vietnam than in China. Relying less on export earnings for growth than China, Vietnam is also less vulnerable to external shocks than its larger neighbour, despite having a much smaller economy. Where the two countries diverge is on their trade balances; Vietnam's trade deficit is as persistent as China's trade surplus. And indeed, Vietnam currently runs a substantial trade deficit with China itself.

With China's economic reform program running about seven years ahead of Vietnam's, its experience serves as a useful leading indicator. Sitting in China's slipstream, as it were, there is much that Vietnam can learn from it. On a whole gamut of environmental issues, for example, there are lessons to be learned about the need to balance short-term economic growth with long-term sustainability. China was slow to realise this, and one hopes that Vietnam's leadership can show more foresight.

As some investors – particularly export-oriented manufacturers – consider further diversifying their activity beyond China, Vietnam could be a net beneficiary of such a trend. Its local currency continues to depreciate against the US dollar and other major currencies, production costs – including salaries – remain relatively low, and labour unrest is quite rare. Much will depend on Vietnam's policy-makers taking a pro-active stance in averting the same issues that China is now having to confront.

Corporate governance standards and practices are also a thorny issue for both China and Vietnam, particularly with regard to state-owned enterprises. Strategic direct investors and institutional portfolio investors alike have rightly conveyed their concerns about the caliber of corporate governance in Vietnamese companies. The recent developments at Vinashin only serve to underline the predicament. Progress on the divestment of state-owned enterprises has also continued to be slower than many had hoped, while the opaque mechanics of the divestment process itself often leave much to be desired.

VietNam Holding (VNH) is playing its own modest role in addressing these inter-related issues by mainstreaming Environmental, Social and Governance (ESG) standards in its investment strategy. As explained more fully in the following report by its Investment Manager, developing a portfolio of investments that meet ESG standards is a key criterion for VNH. The focus will be on both ensuring strong performance from investee companies, and on supporting Vietnam's wider efforts to develop in a sustainable manner.

Despite the various challenges confronting Vietnam as it seeks to make the difficult leap from a developing to a 'middle income' country, VNH continues to have a positive view on the country's economic and business prospects. We envisage inflows of investment capital increasing further, as the country's economic and business 'growth story' becomes more and more persuasive. We will do all we can to ensure that any which we control helps to build both a better Vietnam and continued shareholder value.

A handwritten signature in red ink, appearing to be 'MH Kupfer', written over a light blue horizontal line.

Min-Hwa Hu Kupfer
Chairperson
VietNam Holding Ltd.
August 16, 2010



VIETNAM HOLDING
Asset Management Ltd

Dear Shareholders,

We are pleased to report another successful year in which the fund performance ranked very high among our peers, and exceeded all investment benchmarks. Our sincere thanks to our Managing Director, Mrs. Vi Nguyen, and our dedicated and capable teams in Ho Chi Minh City, Hanoi and Zurich who worked hard and well to generate it. We note also, the excellent contribution made by our Board members and Advisors. Their advice, suggestions and thoughtful decision making were critical to our success.

The year was an important one for the fund, and the new direction its investment manager has adopted on behalf of shareholders. In the Annual General Meeting held last November, shareholders voted overwhelmingly in support of a fund strategy based on SRI (Sustainable and Responsible Investing). Vietnam Holding thereby became the first SRI fund in its marketplace. ESG (Environmental, Social and Governance) considerations have now joined financial success and long term value as paramount factors in our investment selection and development. Our comprehensive Investment Policy is fully described later in this report.

VNHAM has taken on its new sustainability mantle with vigor and enthusiasm. One of the reasons behind the move to a full SRI focus was the awareness by both the fund and its manager that the best of the fund's investments were characterized by careful attention to sustainable and responsible management and operation. It has now become our mission to further test that observation and measure the actual degree of ESG quality in our current portfolio and our investment pipeline. Our goal is to invest in companies with strong SRI standards, and the will and intention to grow and improve them. It was an early look at the success of sustainability in our first portfolio that indicated its value to our best performing companies, and that a recommendation to shareholders that SRI principles be fully adopted was in both their best interest and ours.

During the last year we have undergone an extensive analysis of our portfolio with the assistance of Inrate, a Swiss SRI consultancy. We learned a great deal in the process, as did our investee companies. We are using the rating data to finalize action plans by which the companies and our portfolio will feature ESG character and quality to a degree unexcelled in the market. We are confident this will be accompanied by increased financial success and measurable long term shareholder value.

Our SRI orientation and efforts have resulted in the establishment of several useful partnerships. We have built productive ties with several Vietnamese government entities with an interest in improving the long term sustainability of the country and the quality of life of its people.

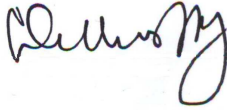
Additionally, we are working with government institutions and institutions of higher learning to build ESG education and understanding. Our goal is not only a better portfolio of well managed companies, but also an improved Vietnam. These objectives are mutually inclusive in increasingly important ways.

We have also become signatories to the UN Principles for Responsible Investment and a charter member of the Vietnam Chamber of Commerce and Industry's Business Sustainability Council.

Our move to an SRI based strategy has not been taken in isolation. Other companies and other countries have recognized the same benefits. In her Chairperson's letter, Min Hua Kupfer has highlighted several similarities between Vietnam and its larger neighbor, China. She is well qualified to do so having served as China Country Head for GE Capital, and Chair of the American Chamber of Commerce in China. The experience of China provides many important lessons for Vietnam and for us, and we continue to use and build on them.

During the last year, the equity market in Vietnam has experienced a productive gain and a recent period of stagnation. Economic data of growing impressiveness also demonstrates increasing promise for companies, and investment funds, that are aware of the value of comprehensive risk management in an emerging market. They make clear the long term value of careful analysis focused on the environment in which they operate, their impact on it, and the transparency with which they do so.

We and our teams in Vietnam and Switzerland, and our global directors and advisors remain fully committed to that task, and to your best interests and the financial gain by which it, and we, are measured.



Donald Van Stone
Chairman,
VietNam Holding Asset Management, Ltd.
August 16, 2010

The Company will attempt to achieve its investment objective by investing in the securities of former State owned enterprises (“SOEs”) in Vietnam, the securities of private companies in Vietnam (either Vietnamese or foreign-owned) and the securities of foreign companies if a majority of their assets or operations are based in Vietnam. The Company may invest in equity securities or securities that have equity features, such as bonds that are convertible into equity. The Company intends to invest at least 50 per cent of its funds in securities of former SOEs in Vietnam, up to 25 percent in the securities of private companies and/or the securities of foreign companies in Vietnam if a majority of their assets or operations are based in Vietnam. The Company will incorporate environmental, social and corporate governance (ESG) factors into its investment analysis and decision-making process.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

In addition, under Vietnamese law:

- foreign investors (such as the Company) as a group are currently restricted from holding in excess of 49 percent of the total issued shares of any non-bank Public company (either listed or unlisted). The Company will not attempt to purchase shares in any Public company which would result in a breach of such regulations, though the Company may take advantage of any relaxation of such regulations that may occur over the course of time;
- foreign investors may only own up to a specific limit of a company in certain sectors expressly open to foreign investment, as stipulated by the Government from time to time – for example, foreign investors can collectively only own up to 30 per cent of banks.

None of the Custodian, Vietnam Sub-Custodian and Administrator are responsible for monitoring compliance with the investment policies and restrictions described above.

Amended Investment Policy (effective November 10, 2009) (continued)

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

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

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

INDEPENDENT AUDITOR'S REPORT

Report on the financial statements

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

Board of Directors' responsibility for the financial statements

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

Responsibility of the Réviseur d'Entreprises agréé

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

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

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

Opinion

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

Other matter

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

Luxembourg, August 16, 2010

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



V. Chan Yin

VietNam Holding Limited
Balance sheet as at June 30, 2010

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

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

The financial statements on pages 12 to 24 were approved by the Board of Directors on August 16, 2010 and were signed on its behalf by

Min-Hwa Hu Kupfer
Chairperson of the Board of Directors

Nguyen Quoc Khanh
Chairman of the Audit Committee

The notes on pages 16 to 24 form an integral part of these financial statements.

VietNam Holding Limited
Statement of comprehensive income for the year ended June 30, 2010

		Year ended 30.06.10	Year ended 30.06.09
	Notes	USD	USD
Income			
Interest income	6	509	82,052
Dividend income from equity securities designated at fair value through profit or loss		1,817,915	3,085,819
Realised loss on investments		(861,461)	(6,495,525)
Change in fair value of securities designated at fair value through profit or loss	2	14,498,355	3,820,731
Net foreign exchange loss	2	(372,638)	(137,957)
Net investment income		15,082,680	355,120
Expenses			
Investment Management fees	7	1,631,578	1,211,751
Advisory fees		124,562	116,538
Bank interest		1,896	-
Accounting fees	9	100,000	100,000
Custodian fees	8	132,160	129,056
Directors fees and expenses	7	251,208	320,704
Brokerage fees		13,237	13,711
Audit fees		61,753	50,022
Publicity and investor relations fees		375,013	161,271
Insurance fees		45,000	37,000
Administration expenses		203,557	151,047
Risk management expenses		144,696	120,230
Technical assistance for investee companies		37,735	(21,746)
Total operating expenses		3,122,395	2,389,584
Profit or loss for the year		11,960,285	(2,034,464)
Earnings per share – basic and diluted	12	0.21	(0.04)

The notes on pages 16 to 24 form an integral part of these financial statements.

VietNam Holding Limited
Statement of changes in equity for the year ended June 30, 2010

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

The notes on pages 16 to 24 form an integral part of these financial statements.

VietNam Holding Limited
Statement of cash flows for the year ended June 30, 2010

	Year ended 30.06.10	Year ended 30.06.09
	USD	USD
Cash flows from operating activities		
Increase/(decrease) in net assets attributable to shareholders	11,960,285	(2,034,464)
Adjustments for:		
Interest income	(509)	(82,052)
Dividend income	(1,817,915)	(3,085,819)
Net realised loss on investments	861,461	6,495,525
Change in fair value of securities designated at fair value through profit or loss	(14,498,355)	(3,820,731)
Unrealised foreign currency (gain)/loss	(218,005)	119,133
	<u>(3,713,038)</u>	<u>(2,408,408)</u>
Net increase/(decrease) in other receivables and payables	120,909	(107,970)
Cash used in operations	<u>(3,592,129)</u>	<u>(2,516,378)</u>
Interest received	509	82,052
Dividends received	1,781,711	3,039,310
Net cash (used in)/from operating activities	<u>(1,809,909)</u>	<u>604,984</u>
Cash flows from investing activities		
Purchase of investments	(8,642,200)	(17,156,913)
Proceeds from sale of investments	8,145,941	7,412,130
Net cash (used in) investing activities	<u>(496,259)</u>	<u>(9,744,783)</u>
Net decrease in cash and cash equivalents	(2,306,168)	(9,139,799)
Cash and cash equivalents at the beginning of the year	5,070,762	14,329,694
Effect of exchange rate fluctuations on cash held	218,005	(119,133)
Cash and cash equivalents at the end of the year	<u>2,982,599</u>	<u>5,070,762</u>

The notes on pages 16 to 24 form an integral part of these financial statements.

1 THE COMPANY

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

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

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

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

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

2 PRINCIPAL ACCOUNTING POLICIES

(a) Statement of compliance

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

(b) Basis of preparation

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

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

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

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

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

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

2 PRINCIPAL ACCOUNTING POLICIES (continued)

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

(c) Foreign currency translation

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

(d) Financial instruments

(i) Classification

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

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

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

Cash and cash equivalents are valued at amortised cost.

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

(ii) Recognition

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

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

(iii) Derecognition

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

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

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

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

(iv) Measurement

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

Valuation

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

2 PRINCIPAL ACCOUNTING POLICIES (continued)

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

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

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

(v) Gains and losses on subsequent measurement

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

(vi) Impairment

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

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

(vii) Specific instruments

Cash and cash equivalents

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

(e) Interest income and expense

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

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

(f) Formation expenses

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

(g) Offsetting

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

(h) Amounts due to/from brokers

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

(i) Taxation

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

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

2 PRINCIPAL ACCOUNTING POLICIES (continued)

(j) Adoption of new and revised standards

Adoption of new standards and amendments to existing standards

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

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

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

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

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

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

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

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

3 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

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

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

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

Market risk

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

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

3 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

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

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

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

Currency risk

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

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

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

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

Currency	Fair value	Fair value
	30.06.10	30.06.09
	USD	USD
Vietnamese Dong	75,678,961	62,269,190
Euro	740,323	1,686,427
	<u>76,419,284</u>	<u>63,955,617</u>

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

Credit risk

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

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

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

3 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

Liquidity risk

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

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

Interest rate risk

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

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

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

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

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

4 OPERATING SEGMENTS

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

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

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

5 SHARE CAPITAL

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

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

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

The Company does not have any externally imposed capital requirements.

5 SHARE CAPITAL (continued)

Redeemable shares

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

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

The Company's redeemable shares meet these conditions and are classified as equity. Incremental costs directly attributable to the issue or redemption of redeemable shares are recognised directly in equity as a deduction from the proceeds or part of the acquisition cost.

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

6 INTEREST INCOME

	30.06.10	30.06.09
	USD	USD
Interest income arising from financial assets that are not at fair value through profit or loss:		
Cash and cash equivalents	<u>509</u>	<u>82,052</u>
Total interest income recognised on financial assets	<u>509</u>	<u>82,052</u>

7 RELATED PARTY TRANSACTIONS

Investment Management fees

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

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

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

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

7 RELATED PARTY TRANSACTIONS (continued)

Directors' fees and expenses

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

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

Directors' ownership of shares

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

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

8 CUSTODIAN FEES

The custodian fee is as follows:

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

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

9 ADMINISTRATION AND ACCOUNTING FEES

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

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

10 CONTROLLING PARTY

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

11 FAIR VALUE INFORMATION

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

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

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

11 FAIR VALUE INFORMATION (continued)

Fair value hierarchy

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

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges (for example, London Stock Exchange, Frankfurt Stock Exchange, New York Stock Exchange) and exchanges traded derivatives like futures (for example, Nasdaq, S&P 500).
- **Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level includes the majority of the OTC derivative contracts, traded loans and issued structured debt. The sources of input parameters like LIBOR yield curve or counterparty credit risk are Bloomberg and Reuters.
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

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

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

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

Level 3 Reconciliation

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

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

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

12 EARNINGS PER SHARE

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