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The Directors of VietNam Holding Limited, whose names appear on page 7 of this document, accept responsibility both individually and collectively for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and contains no omission likely to affect its import. This document, which constitutes an AIM admission document relating to the Company, has been drawn up in accordance with the AIM Rules. This document does not contain an offer of transferable securities to the public in the United Kingdom within the meaning of section 102B of the Financial Services and Markets Act 2000 (as amended) and is not required to be issued as a prospectus pursuant to section 85 of the Financial Services and Markets Act 2000 (as amended).

Application has been made for the admission of the entire issued and to be issued share capital of the Company to trading on AIM, the market operated by the London Stock Exchange plc ("AIM"). It is expected that dealings in the Ordinary Shares will commence on AIM on 12 June 2006. The rules of AIM are less demanding than those of the Official List of the United Kingdom Listing Authority.

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

The whole of this document should be read. Attention is drawn in particular to the "Risk Factors" set out on page 16 of this document. Accordingly, investment in VietNam Holding Limited is only suitable for sophisticated investors who are aware of the risks and who have the ability and willingness to accept the risk of total loss of capital that may result from an investment in the Company.

Neither the United Kingdom Listing Authority nor the London Stock Exchange plc has examined nor approved the contents of this document. It is emphasised that no application is being made for admission of these securities to the Official List of the United Kingdom Listing Authority. The Ordinary Shares are not dealt in on any other recognised investment exchange and no application has been or is being made for the Ordinary Shares to be admitted to any such exchange.



## VietNam Holding Limited

*(an exempted company incorporated with limited liability in the Cayman Islands with registration number 166182)*

### **Placing of up to 57,500,000 Ordinary Shares of US\$1.00 each at US\$2.00 per Ordinary Share and Admission to trading on AIM**

**Nominated Advisor**  
**GRANT THORNTON**  
**CORPORATE FINANCE**

**Broker**  
**LCF EDMOND DE ROTHSCHILD**  
**SECURITIES LIMITED**

Ordinary Share capital immediately following admission to trading on AIM			
Authorised		Issued and fully paid	
Number	Nominal Amount	Number	Nominal Amount
100,000,000	US\$100,000,000	Ordinary Shares of US\$1.00 each up to 57,500,000	up to US\$57,500,000

Grant Thornton Corporate Finance, a division of Grant Thornton UK LLP which is authorised and regulated in the United Kingdom by the Financial Services Authority, is VietNam Holding Limited's nominated advisor for the purposes of the AIM Rules and as such, its responsibilities are owed solely to the London Stock Exchange plc and are not owed to the Company or any Director or any other entity or person. Grant Thornton Corporate Finance will not be responsible to any person other than VietNam Holding Limited for providing the protections afforded to its clients or for providing advice to any other person in connection with the Placing and Admission.

LCF Edmond de Rothschild Securities Limited is authorised and regulated in the United Kingdom by the Financial Services Authority, is a member of the London Stock Exchange plc and is acting as broker to VietNam Holding Limited and no one else. LCF Edmond de Rothschild Securities Limited will not be responsible to anyone other than VietNam Holding Limited for providing the protections afforded to clients of LCF Edmond de Rothschild Securities Limited or advising any other person in connection with the Placing and Admission.

Copies of this document will be available free of charge during normal business hours on any weekday (except Saturdays and relevant public holidays) at the offices of Grant Thornton, Grant Thornton House, Melton Street, Euston Square, London NW1 2EP.

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of such jurisdictions. Your attention is drawn to the information contained on page 2 of this document under the heading "Important Information."

## **IMPORTANT INFORMATION**

The information below is for general guidance only and it is the responsibility of any person or persons in possession of this document and wishing to make an application for Ordinary Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction.

No person has been authorised by the Company to issue any advertisement or to give any information or to make any representations in connection with the contents of this document and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorised by the Company. This document does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, this document does not constitute an offer to sell or the solicitation of an offer to buy any of the Ordinary Shares in Canada, Australia, South Africa, the Republic of Ireland or Japan (collectively, the “Prohibited Territories”) and this document should not be forwarded or transmitted to or into the Prohibited Territories or to any resident, national, citizen or corporation, partnership or other entity created or organised under the laws thereof or in any other country outside the United Kingdom where such distribution may lead to a breach of any legal or regulatory requirement. The distribution of this document may be restricted and accordingly persons into whose possession this document comes are required to inform themselves about and to observe such restrictions.

No invitation or offer, whether direct or indirect, may be made to the public in the Cayman Islands to subscribe for Ordinary Shares.

Prospective investors should not treat the contents of this document as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to: (a) the legal requirements within their own countries for the subscription, purchase, holding, transfer or other disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the subscription, purchase, holding, transfer or other disposal of Ordinary Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the subscription, purchase, holding, transfer or other disposal of Ordinary Shares. Prospective investors must rely upon their own representatives, including their own legal advisors and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein. Statements made in this document are based on the law and practice currently in force in the Cayman Islands, England and Wales, the United States, Vietnam, Switzerland, Belgium, Singapore and Guernsey and are subject to changes therein. This document should be read in its entirety. All Shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the articles of association of the Company.

### **FOR THE ATTENTION OF UNITED KINGDOM RESIDENTS**

Grant Thornton Corporate Finance and LCF Edmond de Rothschild Securities Limited, both of whom are authorised and regulated by the Financial Services Authority, are advising the Company and no-one else in connection with the Placing. Neither Grant Thornton Corporate Finance nor LCF Edmond de Rothschild Securities Limited has approved this document for the purposes of the Financial Services and Markets Act 2000 (“FSMA”). This document is only being distributed to, and is only directed at, persons in the United Kingdom that are Qualified Investors within the meaning of Article 2(1)(e) of the Prospectus Directive (“qualified investors”) that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”); or (ii) high net worth entities or other persons falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”). This document and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person in the United Kingdom. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

### **FOR THE ATTENTION OF UNITED STATES RESIDENTS**

The Ordinary Shares have not been and will not be registered under the US Securities Act of 1933, as amended, (the “Securities Act”) or with any securities authority of any State or any other jurisdiction of the United States and, subject to certain exceptions, may not be offered or sold within the United States to, or for the account or benefit of, US Persons (as defined in Regulation S under the Securities Act). In addition, the Company has not been and will not be registered under the US Investment Company Act of 1940, as amended, and investors will not be entitled to the benefits of that Act.

The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any State securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Ordinary Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States and re-offer or resale of any of the Ordinary Shares in the United States or to US Persons may constitute a violation of US law or regulation. Applicants for Ordinary Shares will be required to certify that they are not US Persons and are not subscribing for Ordinary Shares on behalf of US Persons.

Any potential investor considering an investment in the Ordinary Shares that is, or is acting on behalf of, a plan or a governmental plan subject to laws similar to ERISA and/or Section 4975 of the Inland Revenue Code) is strongly urged to consult its own legal, tax and ERISA advisors regarding the consequences of such an investment.

#### **FOR THE ATTENTION OF SWISS RESIDENTS**

The Company is not an investment fund authorised by the Swiss Federal Banking Commission (the “SFBC”) and its Ordinary Shares have not been authorised for public distribution within, or from, the territory of Switzerland. As a consequence thereof, investors should take note that (i) the Company is not subject to the supervision of the SFBC and, as the Ordinary Shares do not represent a participation in an authorised investment fund, investors will not be protected by the provisions of the Swiss Federal Act on Investment Funds (SR 951.31); (ii) the Ordinary Shares and this document have not been distributed, and may not be distributed, within, or from, the territory of Switzerland to any investors other than on a non-public basis; and (iii) the intrinsic value of an investment in the Company may not only be subject to the performance and soundness of the companies the Company invests in, but also to the overall financial standing of the Company.

This document is not intended to be, and shall not be construed to qualify as, an issue prospectus pursuant to articles 652a and 1156, respectively, of the Swiss Code of Obligations (SR 220). This document has not been, and will not be, approved by the SFBC or by any other Swiss regulatory authority.

#### **FOR THE ATTENTION OF BELGIAN RESIDENTS**

The Placing is exclusively conducted under applicable private placement exemptions and therefore it has not been and will not be notified to, and this document or any other offering material relating to the Ordinary Shares has not been and will not be, approved by the Belgian Banking, Finance and Insurance Commission (“Commission Bancaire, Financière et des Assurances/Commissie voor het Bank, Financie en Assurantiewezen”). Any representation to the contrary is unlawful.

Each Placing Agent has undertaken not to offer sell, resell, transfer or deliver, or to take any steps thereto, directly or indirectly, any Ordinary Shares, and not to distribute or publish this document or any other material relating to the Ordinary Shares or to the Placing in a manner which would be construed as: (i) a public offering under the Belgian Royal Decree of 7 July 1999 on the public character of financial transactions; or (ii) an offering of securities to the public under Directive 2003/71/EC which triggers an obligation to publish a prospectus in Belgium. Any action contrary to these restrictions will cause the recipient and the issuer to be in violation of Belgian securities laws.

#### **FOR THE ATTENTION OF SINGAPORE RESIDENTS**

The offer or invitation which is the subject of this document is only allowed to be made to institutional investors, accredited investors and other relevant persons as defined under the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), or pursuant to, and in accordance with, the conditions of any other applicable exemption under the SFA. Moreover, as this document is not registered as a prospectus under the SFA, statutory liability under the SFA in relation to the content of prospectuses would not apply. Investors should consider carefully whether the investment is suitable for them.

As this document has not been registered as a prospectus with the Monetary Authority of Singapore, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Ordinary Shares may not be circulated or distributed, nor may the Ordinary Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, in Singapore other than (i) to an institutional investor pursuant to section 274 of the SFA; (ii) to a relevant person, and in accordance with the conditions, specified in section 275 of the SFA; or (iii) pursuant to, and in accordance with the conditions of, any other applicable exemption under the SFA.

Section 276 of the SFA will have to be complied with upon the subsequent sale of any Ordinary Shares acquired pursuant to an exemption under section 274 or section 275 of the SFA.

#### **FOR THE ATTENTION OF GUERNSEY RESIDENTS**

The Company is unregulated in the Bailiwick of Guernsey and this document has not been reviewed or approved by the Guernsey Financial Services Commission. Shares may also be offered or sold in the Bailiwick of Guernsey by persons licensed to promote general securities under the provisions of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended (“POI”). Shares may be offered or sold by persons who are not so licensed if offered or sold to persons who are licensed to carry on investment business under POI or to carry on insurance business under The Insurance Business (Bailiwick of Guernsey) Law, 2002 fiduciary business under The Regulation of Fiduciaries, Administration Businesses and Company Directors, etc (Bailiwick of Guernsey) Law, 2000, or banking business under the Banking Supervision (Bailiwick of Guernsey) Law, 1994.

#### **FORWARD LOOKING STATEMENTS**

This document contains forward looking statements. These relate to the Directors’ current views with respect to the Company’s future prospects, developments and strategies. Forward-looking statements are identified by their use of terms and phrases such as “believe”, “could”, “envisage”, “estimate”, “intend”, “may”, “plan”, “will” or the negative of those, variations or comparable expressions, including references to assumptions. These statements are primarily contained in Parts 1, 2, 3 and 4 of this document. Such forward looking statements involve risks, uncertainties and other factors which may cause the actual results, performance or achievement of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Such risks and other factors include, among others, changes in the credit markets, changes in interest rates, legislative and regulatory changes, changes in taxation regimes and general economic and business conditions, particularly in Vietnam and the Cayman Islands.

These forward looking statements speak only as at the date of this document. Subject to its legal and regulatory obligations (including under the AIM Rules), the Company expressly disclaims any obligations to update or revise any forward looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based. Prospective investors should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision.

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## DIRECTORS, INVESTMENT MANAGER AND ADVISORS

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John Joseph Hoey  
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## DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

<b>“Administration Agreement”</b>	the agreement entered into between the Company and the Administrator dated 6 June 2006, further details of which are set out in paragraph 7.7 of Part 7 of this document
<b>“Administrator” or “Registrar”</b>	Credit Suisse Asset Management Fund Service (Luxembourg) SA
<b>“Admission”</b>	the admission of the entire issued and to be issued ordinary share capital of the Company to trading on AIM becoming effective in accordance with the AIM Rules
<b>“AIM”</b>	the market of that name operated by the London Stock Exchange
<b>“AIM Rules”</b>	the rules governing the operation of AIM as published by the London Stock Exchange from time to time governing the admission of securities to trading on AIM
<b>“Articles”</b>	the Articles of Association of the Company
<b>“Audit Committee”</b>	the audit committee duly appointed by the Board
<b>“Auditors”</b>	KPMG Limited in its capacity as auditors of the Company, or such other accounting firm as shall be appointed as auditors from time to time by the Company
<b>“Board” or “Directors”</b>	the directors of the Company, whose names are set out on page 7 of this document
<b>“Broker” or “LCF Rothschild”</b>	LCF Edmond de Rothschild Securities Limited
<b>“Business Day”</b>	any day (except Saturday) on which banks are open for normal banking business in Vietnam and Hong Kong or such other jurisdiction as the Directors may determine, provided that where as a result of a Number 8 Typhoon Signal, Black Rainstorm Warning or other similar event, the period during which banks in Hong Kong are open on any day is reduced, such day shall not be a Business Day unless the Directors otherwise determine
<b>“Clearstream”</b>	the system of paperless settlement of trades and the holding of shares without share certificates administered by Clearstream
<b>“Companies Law”</b>	The Companies Law, Cap. 22 (2004 Revision) of the Cayman Islands as amended, modified or re-enacted from time to time
<b>“Company”</b>	VietNam Holding Limited, an investment holding company incorporated as an exempted company in the Cayman Islands
<b>“Company Secretary”</b>	CARD Corporate Services Ltd.
<b>“Custodian”</b>	Credit Suisse (Luxembourg) SA
<b>“Custody Agreement”</b>	the agreement entered into between the Company and the Custodian dated 6 June 2006, further details of which are set out in paragraph 7.6 of Part 7 of this document
<b>“Dong” or “VND”</b>	Vietnamese dong
<b>“Euroclear”</b>	the system of paperless settlement of trades and the holding of shares without share certificates administered by Euroclear Bank
<b>“Executive Committee”</b>	the executive committee of the Investment Manager
<b>“FDI”</b>	foreign direct investment
<b>“FSA”</b>	the United Kingdom Financial Services Authority

<b>“GDP”</b>	gross domestic product
<b>“Government” or “State”</b>	the government of the Socialist Republic of Vietnam
<b>“Grant Thornton Corporate Finance”</b>	the corporate finance division of Grant Thornton UK LLP which is authorised in the United Kingdom by the FSA to carry on investment business, the Company’s nominated advisor for the purposes of the AIM Rules
<b>“HCMC”</b>	Ho Chi Minh City
<b>“IFRS”</b>	International Financial Reporting Standards
<b>“Investee Company”</b>	a company or other entity in which the Company has, directly or indirectly, invested
<b>“Investment Advisor”</b>	quondam viet nam partners ltd., a company incorporated in the British Virgin Islands that is the majority shareholder of the Investment Manager and that will provide strategic advice and certain other administration services to the Investment Manager
<b>“Investment Manager” or “VNHAM”</b>	Vietnam Holding Asset Management Ltd., a company incorporated in the British Virgin Islands and acting as the investment manager to the Company pursuant to the Investment Management Agreement
<b>“Investment Management Agreement”</b>	the agreement entered into between the Investment Manager and the Company dated 6 June 2006, further details of which are set out in paragraph 7.5 of Part 7 of this document
<b>“Law on Foreign Investment”</b>	the Law on Foreign Investment in Vietnam, adopted by the National Assembly of Vietnam on 12 November 1996, as amended on 9 June 2000, and all implementing and related decrees, circulars and other legal texts and amendments and additions thereto
<b>“LCF Placing Agreement”</b>	the conditional agreement entered into between the Company, Grant Thornton Corporate Finance, LCF Rothschild, VNHAM and the Directors dated 6 June 2006, further details of which are set out in paragraph 7.3 of Part 7 of this document
<b>“Listed Company”</b>	a company that has shares listed on the Vietnam Stock Exchange or any other stock exchange outside of Vietnam
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“Memorandum”</b>	the Memorandum of Association of the Company
<b>“Net Asset Value”</b>	the aggregate value of the assets of the Company less the aggregate value of the liabilities of the Company as determined in accordance with the Articles and the guidelines laid down by the Board from time to time, further details of which are set out on page 35 of Part 3 of this document
<b>“Net Asset Value per Share”</b>	at any time means the Net Asset Value at that time divided by the number of Ordinary Shares in issue at that time
<b>“Ordinary Resolution”</b>	a resolution passed by a simple majority of the votes of the Shareholders as, being entitled to do so, vote in person, or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a duly called and held general meeting of the Company or a Written Resolution
<b>“Ordinary Shares”</b>	ordinary shares of \$1.00 each in the capital of the Company, further details of which are set out in Part 7 of this document
<b>“OTC Market”</b>	informal over-the-counter trading platform where all companies traded are Unlisted Companies

<b>“Placees”</b>	those persons who have entered into a Placing Letter in connection with the Placing, further details of which are set out in paragraph 7.10 of Part 7 of this document
<b>“Placing”</b>	the conditional placing of the Placing Shares by the Placing Agents at the Placing Price pursuant to the Placing Agreement and the qvnp Placing Agreement
<b>“Placing Agent”</b>	each of LCF and qvnp
<b>“Placing Letter”</b>	the subscription agreement pursuant to which Placees apply for Ordinary Shares
<b>“Placing Price”</b>	\$2.00 per Ordinary Share
<b>“Placing Shares”</b>	up to 57,500,000 Ordinary Shares
<b>“qvnp”</b>	quondam viet nam partners ltd., a company incorporated in the British Virgin Islands and acting as the Investment Advisor and as placing agent to the Company pursuant to the qvnp Placing Agreement, further details of which are set out in paragraph 7.4 of Part 7 of this document
<b>“qvnp Placing Agreement”</b>	the agreement entered into between the Company, qvnp, the Investment Manager and the Directors dated 6 June 2006, further details of which are set out in paragraph 7.4 of Part 7 of this document
<b>“Regulation S”</b>	Regulation S under the Securities Act
<b>“Regulatory Information Service Provider”</b>	a regulatory information service provider that is approved by the FSA
<b>“SEC”</b>	the US Securities and Exchange Commission
<b>“Securities Act”</b>	the Securities Act of 1933 of the United States, as amended
<b>“Shareholders”</b>	holders of Ordinary Shares
<b>“SOE”</b>	a state-owned enterprise in Vietnam
<b>“Special Resolution”</b>	a resolution passed by a majority of not less than three-fourths of the votes of Shareholders as, being entitled so to do, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a duly called and held general meeting of the Company or a Written Resolution
<b>“SPV”</b>	a special purpose offshore vehicle through which the Company may hold investments in an Investee Company
<b>“SSC”</b>	the State Securities Commission, the official body in charge of regulating the Vietnam Stock Exchange
<b>“Unlisted Company”</b>	a company which has not yet listed on the Vietnam Stock Exchange or on any other stock exchange
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“US”, “USA” or “United States”</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all other areas subject to its jurisdiction
<b>“U.S. Person”</b>	as defined by Rule 902 of Regulation S under the Securities Act
<b>“Valuation Day”</b>	the last Business Day in each month, unless the Directors resolve otherwise, and such other day as the Company may determine, each being a day on which the Net Asset Value is calculated
<b>“Vietnam Stock Exchange”</b>	the officially sanctioned mechanism for trading in listed equities, bonds and other securities located in HCMC and Hanoi, together with any other officially sanctioned trading centres that may open in other cities in Vietnam

<b>“Vietnam Sub-Custodian”</b>	The Hongkong and Shanghai Banking Corporation Limited, Ho Chi Minh City branch
<b>“Written Resolution”</b>	a resolution adopted in writing by all of the Shareholders entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Shareholders aforesaid, and the effective date of the resolution so adopted shall be the date on which the instrument or the last of such instruments, if more than one, is executed
<b>“WTO”</b>	World Trade Organisation
<b>“\$”</b>	United States dollars

## EXPECTED TIMETABLE

Publication of AIM admission document	6 June 2006
Admission of the Ordinary Shares to trading on AIM and commencement of dealings	8.00 a.m. on 12 June 2006
Crediting of Euroclear/Clearstream stock accounts in respect of the Ordinary Shares by	16 June 2006
Share certificates in respect of Ordinary Shares dispatched by	3 July 2006

## PLACING STATISTICS

Placing Price	\$2.00
Market capitalisation at the Placing Price on Admission*	\$115,000,000
Number of Ordinary Shares in issue immediately following Admission*	57,500,000
Estimated initial Net Asset Value per Share on Admission*	\$1.92
Estimated net proceeds, after expenses, of the Placing receivable by the Company*	\$110,400,000

\*Assuming the Placing is subscribed in full

Save in relation to the date on which the admission document is published, each of the times and dates in the above timetable are subject to change. All references to time are to Greenwich Mean Time.

## EXCHANGE RATES

The rate of exchange used for the purpose of this document is, unless otherwise stated, US\$1.00 = VND15,925, being the relevant rate of exchange provided by the State Bank of Vietnam for 17 May 2006.

## KEY INFORMATION

The following summary is qualified in its entirety by reference to the more detailed information included elsewhere in this document. In particular, the attention of potential investors is drawn to the risk factors set out on page 16 of this document. The Ordinary Shares are only suitable for investors who understand the potential risk of capital loss, for whom an investment in the Ordinary Shares constitutes part of a diversified investment portfolio and who fully understand and are willing to assume the risks involved in investing in the Company. This information should be read as an introduction to the full text of this document and any decision to invest in the Ordinary Shares should be based on consideration of the full text of this document as a whole.

### THE COMPANY

VietNam Holding Limited is a newly incorporated, closed-end investment holding company incorporated in the Cayman Islands to invest principally in securities of former 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.

### INVESTMENT OBJECTIVE

The investment objective of the Company is to achieve long-term capital appreciation by investing in a diversified portfolio of companies either in Vietnam or with a significant portion of their assets held in or operations are based in Vietnam. The objective is to invest in companies that have high growth potential at an attractive valuation. To realise this objective, one focus of the Company will be on the large number of SOEs which the Government wishes to privatise and list on the Vietnam Stock Exchange.

### INVESTMENT STRATEGY AND RESTRICTIONS

The Company intends to invest at least 70 per cent. of its funds in former SOEs, up to 25 per cent. in private and foreign companies and no more than 20 per cent. in convertible securities. The Company may invest in equity securities or securities that have equity features, such as bonds that are convertible into equity.

The Company will adhere to the general principle of diversification in respect of all its assets and will observe certain investment restrictions which include that 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 and not more than 30 per cent. of its Net Asset Value at the time of investment in any one sector.

### THE INVESTMENT MANAGER AND THE INVESTMENT ADVISOR

Vietnam Holding Asset Management Limited 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. quondam viet nam partners ltd. has been appointed as VNHAM's Investment Advisor and is responsible for providing strategic advice to VNHAM on a non-exclusive basis.

### THE PLACING

The Placing comprises an offer by the Company of up to 57,500,000 Ordinary Shares to raise net proceeds of approximately \$110,400,000. LCF Rothschild and qvnp are acting as Placing Agents to the Placing in accordance with the terms of the LCF Placing Agreement and the qvnp Placing Agreement respectively.

### CUSTODIAN AND ADMINISTRATOR

Credit Suisse (Luxembourg) SA has been appointed to act as custodian of the Company's assets (as can be legally held outside of Vietnam) pursuant to the Custody Agreement. 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. Credit Suisse Asset Management Fund Service (Luxembourg) SA has been appointed to act as the administrator of the Company and to provide a range of administrative services to the Company (including the calculation of Net Asset Value).

### FEES AND EXPENSES

The Investment Manager will receive an aggregate fee of two per cent. of the Net Asset Value per annum, to be paid monthly in advance. The Company will pay a performance bonus each year at the rate of 20 per cent. of the

annual increase in Net Asset Value over the higher of an annualised compounded hurdle rate of five per cent. or a “high water mark” requirement. The Investment Manager will receive the bulk of this bonus while a previously agreed portion which shall be no greater than 20 per cent. of the total will be distributed to the Board.

The Company will be incurring costs in connection with the Placing and Admission, which include the fees of the Custodian and the Administrator, Admission fees and the fees of and expenses incurred by the professional advisors in respect of the preparation of the admission document and all other ancillary documentation. The Directors do not anticipate that the formation and initial expenses relating to the Placing and Admission will exceed four per cent. of the gross Placing proceeds. These expenses will be met by the Company.

**DISTRIBUTION POLICY**

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 by way of a dividend distribution or pursuant to an offer for redemption or a tender offer to repurchase Ordinary Shares.

## RISK FACTORS

Potential investors should be aware of and carefully consider the risks associated with an investment in the Company before making any decision to invest in the Company. If any of the following risks occur, the Company's business, financial condition and/or results of operations could be materially and adversely effected. In such a case, the trading price of the Ordinary Shares could decline and investors may lose all or part of their investment. The following risk factors (along with the issues relating to taxation which are set out in Part 6 of this document and all the other information set out in this document) should be carefully considered by potential investors. The risks listed are not exhaustive and are not presented in any order of priority. Accordingly, additional risks and uncertainties not presently known to the Directors, or that the Directors currently deem immaterial, may also have an adverse effect on the Company's business. In particular, the Company's performance may be affected by a change in the market and/or economic conditions and in legal, regulatory and tax requirements. If you are in any doubt about the action you should take, you are advised to consult an investment advisor authorised under the FSMA (or, if you are a person outside the United Kingdom, otherwise duly qualified in your jurisdiction) who specialises in advising on the acquisition of shares and other securities. Investment in Vietnam involves a high degree of risk and prospective purchasers of Ordinary Shares should carefully evaluate the factors set out below. The Company's investment activities will entail certain risks and special considerations not typically associated with investments in other more established economies or securities markets including, but not limited, to greater Government control over the economy, extensive Government control over foreign investment and divestment, legal uncertainties and currency controls and fluctuations. An investment in the Company should be considered highly speculative and long term in nature and is suitable only for sophisticated investors who understand the risks involved, including the risk of a total loss of capital.

### RISKS RELATING TO THE COMPANY'S BUSINESS AND STRUCTURE

#### **New companies with no operating history**

The Company, the Investment Manager and the Investment Advisor are all newly formed. Accordingly, they have no trading and no operating history. There can be no assurance that the Company will achieve its investment objective or that the market will value the Ordinary Shares at the Placing Price.

#### **Dependence on Investment Manager**

The Company's ability to provide returns to Shareholders and achieve its investment objective is dependent on the performance of the Investment Manager in the identification, acquisition and disposal of investments in Investee Companies. As the Investment Manager is newly formed, it does not have significant experience and as such, the Investment Manager's performance cannot be guaranteed. Failure by the Investment Manager to identify and manage investments effectively could have a material adverse effect on the Company's business, financial condition and results of operations. In addition, the Company has no employees and is reliant on the Investment Manager, which has significant discretion as to the implementation of the Company's operating policies and strategies. The Company is subject to the risk that, if the Investment Manager terminated the Investment Management Agreement, no suitable replacement would be found and accordingly, the Company's growth and profits may be curtailed.

#### **Conflicts of interest**

While the Investment Manager does not render services to other companies at the current time nor does it currently intend to establish any other fund that is similar to the Company, it may do so in the future if it obtains the prior approval of the Board. The Board cannot withhold its approval for the Investment Manager to provide management, advisory or other services of any kind to any other person if either of the following conditions are met: (i) 80 per cent. of the Placing proceeds have been invested; or (ii) an amount exceeding 100 per cent. of the Placing proceeds has been distributed to Shareholders, unless in either case the Board, after giving reasons and an opportunity to the Investment Manager to respond, determines that the Company will be materially adversely affected. The parent company of the Investment Manager, quondam viet nam partners ltd., which is the Investment Advisor, or any other affiliate of the Investment Manager or the Investment Advisor (each, a "Related Party"), may also render asset management services to persons other than the Company. Conflicts of interest may arise whereby investment opportunities will be available to the Company which are also suitable for any other persons for whom the Investment Manager, the Investment Advisor or a Related Party, provides services. If this occurs, the Investment Manager has undertaken that it will seek to act fairly to allocate the opportunity on a fair basis, normally on a pro-rata basis between the Company and the other persons based on the amounts available for investment by the Company and such other persons at such time. The Investment Advisor is under no such obligation nor would such undertaking commit a Related Party.

### **Independence of Board of Directors**

The majority of the Board is wholly independent of the Investment Manager and the Investment Advisor. It should be noted, however, that John J. Hoey, who is a director of the Company, is also a minority shareholder and director of the Investment Advisor, which in turn, is the controlling shareholder of the Investment Manager.

### **Life of the Company**

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

### **Operating expenses**

The Company's annual operating expenses may be higher than those of some other investment companies, primarily because of the additional time and expense required in pursuing the Company's investment objectives. Investing in Vietnam entails additional time and expense in comparison to investing in many other countries because available public information concerning Vietnamese investments is limited in comparison to, and not as comprehensive as, that available for investments in many other countries: therefore more time and expense is required in gathering and analysing information on potential investments.

### **A change to taxation laws could affect the Company's ability to make distributions or the Company's tax exempt status**

Statements in this document concerning the taxation under Cayman Islands law of Ordinary Shares are based upon current tax law and practice which is subject to change. Any change in the Company's tax status in the Cayman Islands or in taxation legislation in the Cayman Islands could affect the value of the investments held by, and the performance of, the Company. If under Cayman Islands' law there were to be a change to the basis on which profits could be distributed by Cayman Islands companies, this could have a negative impact on the Company's ability to pay dividends. Also, a change in tax legislation or tax treaties in any of the countries in which the Company will have investments, or through which investments are made could adversely affect the returns from the Company to investors.

## **RISKS RELATING TO INVESTING IN COMPANIES IN VIETNAM**

### **Investment Restrictions in Listed Companies**

Trading on the Vietnam Stock Exchange is subject to various restrictions. Share price changes are subject to daily limits of five per cent. in either direction. Total foreign ownership of a Listed Company is currently limited to 49 per cent. of the issued shares of the company. Foreign investors who wish to purchase shares on the Vietnam Stock Exchange must first register with, and obtain a securities trading code from, the Vietnam Stock Exchange and then may only open one trading account with a local broker and one custody account with a local custodian licensed to hold securities on behalf of foreign investors. All trades must be conducted through these accounts. The Company has applied for its trading code and expects to receive it in due course after Admission.

### **Investment Restrictions in Unlisted Companies**

Total foreign ownership of an Unlisted Company is currently limited to 30 per cent. of the charter capital of the company. Foreign investors who wish to purchase shares of an Unlisted Company must open a special account at a local commercial bank and then register such account with the State Bank of Vietnam. Any transfer of monies intended for purchasing and selling shares, receiving and using dividends or profit distributions or purchasing foreign currency for remittance abroad or other transactions relating to any activity of purchase of shares in an Unlisted Company by the foreign investor will have to be performed through such account.

### **Investments in Unlisted Companies**

The Company intends to invest in Unlisted Companies and while such investments may offer the opportunity for significant capital gains, such investments also involve a high degree of business and financial risk. For example, even though the Company intends to invest only in companies which it reasonably expects to list on the Vietnam Stock Exchange or another stock exchange outside Vietnam, if such Unlisted Company is unable to obtain a listing as expected at the time of investment, it may need additional capital to support its business before a listing

on the Vietnam Stock Exchange or such other exchange takes place. There is no assurance that the Company will have the necessary capital to provide for such Unlisted Company's future capital needs or that other sources of financing will be available to the Unlisted Company. Further, the Unlisted Company may never achieve a listing on any stock exchange.

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

As Vietnam remains a developing country, the Company's investments in Unlisted Companies in Vietnam may require extensive due diligence. However, good due diligence may be difficult to achieve, especially in the context of investments in former SOEs either because the Company may buy shares during an auction process that allows only limited due diligence or because the records of the former SOEs are imperfect and the information is not available. As the Company will be a minority shareholder in any Unlisted Companies in which it invests, the Company will endeavor in appropriate situations to obtain suitable shareholder protection by way of a shareholders' agreement and/or board representation, where available. However, the Company may not succeed in obtaining such protection and even where the Company obtains such shareholders' agreement or board representation, they may confer limited protection for the Company.

#### **Investments in former SOEs**

By definition, former SOEs, whether they are Listed Companies or Unlisted Companies, will have been SOEs until a point in time that may be shortly before the Company invested in them. The management of any given former SOE may have one or more potential problems, such as difficulties adjusting to the private sector, following international standard corporate governance practices, being transparent and appointing appropriately qualified officers and directors or employing and retaining qualified staff. Former SOEs may continue to be majority owned by the State and may continue to respond to State interests rather than the interests of all shareholders. Former SOEs may in some cases inherit business legacies from their former status such as excessive workforces and environmental problems. Furthermore, due to the weak legal infrastructure in Vietnam, investors face a risk of fraud by former SOEs. For instance, it is possible that former SOEs will misrepresent their financial position or the status of their business, use the investment capital provided by the Company in unauthorized ways, embezzle money or fraudulently transfer assets, or otherwise not honor their obligations to shareholders.

#### **Other risks relating to investing in companies in Vietnam**

Investee Companies, and in particular former SOEs, whether they are Listed Companies or Unlisted Companies, will face a number of risks which could cause them to under-perform significantly or even result in their bankruptcy, including, but not limited to:

- risk of insufficient financing or access to capital;
- customer concentration risk;
- a tendency by some companies to speculate on raw materials prices by purchasing too much or too little, resulting in excessive inventory risk, inefficient use of working capital, and risk of disruption to production operations;
- risk of fraud perpetrated against the Investee Company, which may be compounded by the Investee Company's own internal control weaknesses;
- incorrect strategy or failure to anticipate industry trends;
- insufficient middle management team, and difficulty in recruiting capable managers; and
- changes in competitiveness due to changes to relative exchange rates.

### **INVESTMENT RISKS**

#### **Limited investment opportunities**

Other companies, institutions and investors, both Vietnamese and foreign, are active in seeking investments in Vietnam. Competition for a limited number of attractive investment opportunities, especially in the context of auctions for shares in former SOEs, may lead to a delay in investment and may increase the price at which investments may be made and reduce the Company's potential profits in relation to such investments.

It is also possible that equitisation and listing of SOEs may not occur at a pace sufficient to provide the Company with enough investment opportunities to utilise all of the funds it raises.

### **Competitive forces**

Competition in business in Vietnam is increasing, partly as a result of the country's increasing internationalisation. The financial viability of some investments made by the Company may be affected by changes in Vietnam's trade regime. The Company's investments in export-oriented industries, for example, may be affected by changes in trade regimes or by protectionist measures in foreign countries, as has happened in the United States in connection with its imports of catfish and shrimp. Similarly, the Company's investments in Investee Companies selling into the domestic market may be adversely affected by increasing competition from international firms as trade barriers are reduced, such as those resulting from increasing compliance with the Common Effective Preferential Tariff programme under the ASEAN Free Trade Area and the US – Vietnam Bilateral Trade Agreement or from the entry conditions for admission to the WTO. As a result of such changes, and other market forces, the Company's investments could suffer substantial declines in value at any stage.

### **Exchange rates**

The Net Asset Value per Share is expressed in US dollars and will fluctuate in accordance with, among other things, changes in the foreign exchange rate between the US dollar and the Dong. Shareholders' investments in the Company will be made in US dollars and the Company will convert such US dollars into Dong (or in the context of an investment outside Vietnam, into another foreign currency) prior to making investments. It will have to convert Dong (or such other currency) back to US dollars prior to distributing any income and realisation proceeds from such investments. There can be no assurance that fluctuations in exchange rates will not have an adverse effect on (i) the Net Asset Value and Net Asset Value per Share, or (ii) the value of distributions received by Shareholders in US dollars after conversion of the income and realisation proceeds from the Company's non-US\$ denominated investments. In 2001, 2002, 2003, 2004 and 2005 the Dong depreciated against the US dollar by 3.9 per cent., 1.94 per cent., 1.57 per cent., 0.83 per cent. and 0.87 per cent. respectively. The Company may seek to hedge against a decline in the value of the Company's investments resulting from currency depreciation but only if and when suitable hedging instruments are available on a timely basis and on acceptable terms. There is no assurance that any hedging transactions engaged in by the Company will be successful in protecting against currency depreciation or that the Company will have opportunities to hedge on commercially acceptable terms.

### **Currency conversion**

Most of the Company's investments are expected to be in securities that are denominated in Dong and that pay dividends in Dong. The Company will need to convert Dong back to US dollars to make distributions to Shareholders, but the Dong is currently not a freely convertible currency. The Government does not guarantee that hard currency will be available to the Company or that it will receive any priority if there is a shortage.

With respect to sales of investments in Unlisted Companies, the Vietnam Prime Minister's Decision 36 provides that foreign investors can convert income and realisation proceeds into hard currency and remit them overseas upon the fulfilment of all tax obligations in accordance with Vietnamese law. However, Decision 36 and its associated implementing regulations only contain broad statements of principle regarding such remittances. Until the State Bank of Vietnam issues detailed procedures for conversion of Dong into foreign currency by an offshore investment fund, it is possible that the Company may have difficulty accomplishing such conversion. This may include the need to obtain a special approval, and such approval may not be received quickly or at all. Any delay in conversion increases the Company's exposure to depreciation of the Dong against other currencies. If conversion is not effected at all, some of the Company's assets may be denominated in a non-convertible currency.

### **Ability to invest in and control domestic enterprises and change in laws**

Although there has been a gradual easing of restrictions, foreign investment in the securities of companies in Vietnam is nevertheless still restricted or controlled to varying degrees. These restrictions or controls limit foreign investment in many areas and preclude it altogether in certain sectors. Currently, foreign equity participation in domestic Unlisted Companies – those established under the Enterprise Law as opposed to foreign invested enterprises ("FIEs") that are established under the Law on Foreign Investment – is limited to 30 per cent. (49 per cent. for Listed Companies). Furthermore, investments in domestic Unlisted Companies can only be made in certain industries and sectors. The formal approval of the Prime Minister may be required for investments in other sectors. However, the Law on Foreign Investment and the Enterprise Law will be replaced effective 1 July 2006 by a new Investment Law and a new Unified Enterprise Law, both of which are applicable to both foreign and domestic investors. Although these laws are intended to put foreign and domestic investors onto the same footing,

the implementing regulations have not yet been released. Implementing regulations are necessary to determine the effect of the Investment Law on foreign investors which purchase stakes in Vietnamese companies. It is therefore uncertain at present to what extent the Company would be limited in the type of businesses and sectors in which it can invest and the percentage ownership of a company that it could acquire in businesses and sectors in which it can invest. This uncertainty may have an adverse effect on the proposed activities and projected performance of the Company, and the limitations on ownership of a domestic company could have an adverse effect on the Company's ability to control or influence the activities and business of domestic enterprises.

#### **Limits on disposals**

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

#### **Limited liquidity**

It may be considerably more difficult for the Company to exit its investments in Vietnam than it is for investors in more developed jurisdictions. The Vietnam Stock Exchange only started operations in July 2000, it may be more regulated than other regional stock exchanges and may continue to exhibit limited liquidity. Nevertheless, the Company intends to invest a substantial portion of its assets in former SOEs which it believes will list shares on the Vietnam Stock Exchange. In addition, the Company will endeavour to realise investments in Unlisted Companies through listings on the Vietnam Stock Exchange or another stock exchange. However, few companies have listed shares on the Vietnam Stock Exchange and there is no guarantee that the Vietnam Stock Exchange will provide liquidity for the Company's investments in Unlisted Companies. The Company may have to resell its investments in privately negotiated transactions.

#### **Asset realisation in bankruptcy proceedings may be time consuming and expensive**

The Company may have limited recourse under bankruptcy or other laws in the event an Investee Company becomes bankrupt or does not honor its commitments to the Company. Vietnamese bankruptcy law may not be easily implemented. To be declared bankrupt, an enterprise or its creditors must have sufficient grounds to prove its insolvency and bankruptcy. Assuming that the judge believes there to be sufficient grounds to proceed with a bankruptcy hearing, the two-tiered bankruptcy procedure for resolving business bankruptcy matters will apply. The first tier is the adjudication phase. If during the adjudication phase, it is found that it is not possible to restructure the business of the enterprise the bankruptcy process then moves to the assets realization phase. Bankruptcy proceedings in relation to an Investee Company may therefore be pending for a long time before the Company may recover any of its capital.

#### **Transfer and Settlement Risk**

The collection, transfer and deposit of securities and cash exposes the Company to a number of risks including theft, loss, fraud, destruction and delay. Additionally, procedures for registration of ownership may be unreliable in Vietnam and may be subject to fraud. Also, brokers and sub-custodians in Vietnam may not be as reliable as in developed countries and therefore may subject the Company to further risks.

### **GENERAL ECONOMIC, POLITICAL AND MARKET RISKS**

#### **Credit risk**

To the extent that the Company is exposed to the credit of a counterparty on an unsecured basis, it generally will not have a priority claim to any of the counterparty's assets upon a default. If the counterparty has secured creditors, the secured creditors will be entitled to repayment from the counterparty's assets in priority to the Company. Moreover, the Company may have to share the residual value of a defaulting counterparty's assets with other unsecured creditors. Consequently, there can be no assurance that the Company would recover any of the amount owed to the Company on an unsecured basis by a defaulting counterparty.

#### **Political Risks**

The value of the Company's assets and of an investment in the Company may be adversely affected by changes in Government, Government personnel or Government policies, which may include, among other things, changes in economic policy, taxation, investment regulations, equitisation valuations, securities regulations and foreign currency conversion or repatriation regulations. While Vietnam has implemented many reforms which have improved the overall framework for investors and companies in which they invest, there is no guarantee that

reform will continue or that it will continue at any particular pace or be successful. It is difficult to predict or anticipate future developments.

### **Legal system**

The laws and regulations affecting the Vietnamese economy are in an early stage of development and are less well established than those in Western Europe and the United States. Although the legal system in Vietnam is improving, and the Government appears to be planning substantial further legal reforms, there can be no assurance that the Company will be able to obtain effective enforcement of its rights by legal proceedings in Vietnam, nor is there any assurance that improvements will continue. As Vietnam's legal system develops, there are inconsistencies and gaps in laws and regulations, new laws and changes to existing laws may adversely affect foreign investors, the administration of laws and regulations by government agencies may be subject to considerable discretion, and in many areas the legal framework is vague, contradictory and subject to interpretation. Furthermore, the judicial system may not be reliable or objective and the ability to enforce acknowledged legal rights is often lacking. By way of example only, the Company may have difficulty exercising conversion rights, voting rights, dividend rights, or restrictive covenants and may have limited recourse to remedy the problem. The Company's right of ownership or title to an asset or security may be disputed due to, *inter alia*, a poor system for registration of ownership or as a result of vague and conflicting laws. Some Investee Companies may even attempt to use the vague and conflicting legal infrastructure as an excuse for not honouring their commitments to the Company. There is not the same degree of certainty as investors would expect if they invested in a more developed jurisdiction.

### **Recognition of foreign arbitration awards and their enforcement**

Given the lack of legal support for recognizing foreign court judgments in Vietnam, parties often select foreign arbitration as the method of dispute resolution. However, while there is a legal basis for the recognition and enforcement of foreign arbitration awards in Vietnam in respect of certain types of contracts, there have only been a small number of cases where a Vietnamese court has recognized and enforced such an award and the Company cannot rely on this provision.

### **Tax uncertainty**

The Vietnamese tax regulations are currently under development. There are many areas where detailed regulations do not currently exist and where there is a lack of clarity. The implementation of tax regulations can vary depending on the tax authority involved. Additionally, there are various tax implications associated with ownership of the Ordinary Shares which may vary depending on the individual circumstances of the Shareholder.

### **Accounting, auditing and financial reporting standards**

Vietnam's accounting, auditing and financial reporting standards, practices and disclosure requirements differ from those in more developed countries. Less information may therefore be available to the Company than in respect of investments in more developed countries. However, Listed Companies are all required to have audited financial statements.

### **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 will be exposed to market risk on all of its investments, but in the case of its investments in Listed Companies, such market risk relates to the Vietnam Stock Exchange, which is at or near an all-time high, and other exchanges, if any, where the Company's investments are to be listed. Furthermore, there is no certainty that the market price of the Ordinary Shares will fully reflect their underlying net asset value. Shares of closed-end investment companies frequently trade at a discount to net asset value. This characteristic of shares of a closed-end investment company is a risk separate and distinct from the risk that the Net Asset Value may decrease.

### **Contagious diseases**

An epidemic of SARS, bird flu or another contagious disease could potentially cause a significant drop in economic activity. Vietnam was one of the countries near the centre of the SARS outbreak and has experienced more avian flu cases than any other country.

## **RISKS RELATING TO THE ORDINARY SHARES AND THEIR TRADING MARKET**

### **AIM**

Application will be made for the Ordinary Shares to be admitted to trading on AIM, a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. An investment in shares quoted on AIM may carry a higher risk than an investment in shares quoted on the Official List of the United Kingdom Listing Authority. AIM has been in existence since June 1995 but its future success, and any liquidity in the market for the Company's securities, cannot be guaranteed. An investment in Ordinary Shares may be difficult to realise.

### **Absence of an active secondary market**

Although the Company has applied for the Ordinary Shares to be admitted to trading on AIM, it does not expect that an active secondary market will develop in the Ordinary Shares. However, quondam viet nam partners ltd., the majority shareholder in the Investment Manager, will assist where possible in providing entry and exit opportunities for investors in accordance with applicable laws and regulations.

### **Market value of Ordinary Shares**

The market value of, and the income derived from, the Ordinary Shares can fluctuate. Investors may not receive back the full value of their investment. The market value of the Ordinary Shares, as well as being affected by the Net Asset Value per Share, also takes into account the relevant dividend yield and prevailing interest rates. As such, the market value of an Ordinary Share may vary considerably from the Net Asset Value per Share. The Company does not have a fixed winding up date and therefore, unless Shareholders vote for the winding-up of the Company, Shareholders will only be able to realise their investment through the market. There can be no guarantee that the investment objectives of the Company will be met.

### **Limited regulatory control**

The holders of the Ordinary Shares will not enjoy any protections or rights other than those reflected in the Articles and those rights conferred by law. Neither the Listing Rules of the United Kingdom Listing Authority nor the United Kingdom Principles of Good Governance and Code of Best Practice will apply to the Company. The Directors recognise the importance of sound corporate governance and to this end, the Company has adopted a Code of Ethics.

### **Shareholders will not be entitled to the takeover offer protections provided by the City Code on Takeovers and Mergers (the "City Code")**

The City Code applies, *inter alia*, to offers for all listed public companies considered by the Panel on Takeovers and Mergers to be incorporated in the United Kingdom, the Channel Islands or the Isle of Man. Accordingly, as a Cayman Islands incorporated company that does not have its place of central management in the United Kingdom, the Channel Islands or the Isle of Man, the City Code will not be applied to the Company with the result that Shareholders will not receive the benefit of the protections provided by the City Code in relation to takeovers.

### **Future issues of Ordinary Shares could dilute the interest of existing Shareholders and lower the price of the Ordinary Shares**

The Company intends in the future to issue additional Ordinary Shares in subsequent offerings. The Company may issue additional Ordinary Shares without limitation and is not required under the laws of the Cayman Islands or the AIM Rules to offer any such Ordinary Shares to existing Shareholders on a pre-emptive basis. Therefore, it may not be possible for existing Shareholders to participate in such future issues of Ordinary Shares, which would dilute the existing Shareholders' interests in the Company. The issue of additional Ordinary Shares by the Company, or the possibility of such issue, may cause the market price of the Ordinary Shares to decline. However, it should be noted that the Board has resolved that it will not issue further Ordinary Shares at a placing price that is less than the then prevailing Net Asset Value per Share unless it has first obtained the approval of Shareholders.

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

## PART 1

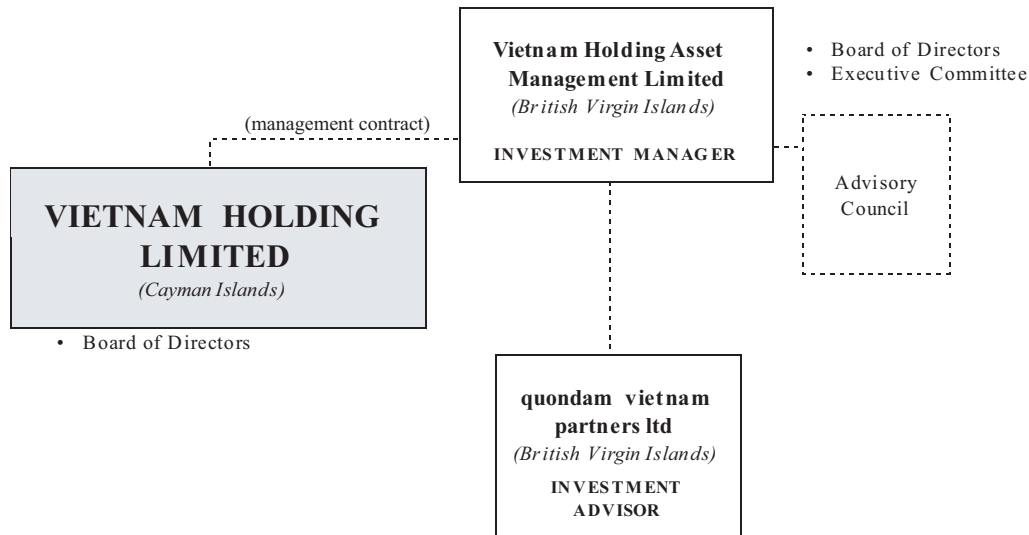
### THE COMPANY

#### 1. INTRODUCTION

VietNam Holding Limited is a newly incorporated, closed-end investment holding company incorporated in the Cayman Islands to invest principally in securities of former SOEs in Vietnam, prior to, at or after the time such securities become listed on the Vietnam Stock Exchange, including the initial privatisation of such 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 based in Vietnam. If the Company invests in Unlisted Companies, it will normally only do so if the Investment Manager or the Board determines that the proposed Investee Company has a firm plan to list its shares on a stock exchange either inside Vietnam or elsewhere within a reasonable period of time. The Company's share capital will comprise a single class of Ordinary Shares which will be admitted to trading on AIM. The Company intends to establish a representative office in Zurich, Switzerland.

Vietnam Holding Asset Management Limited, a company incorporated in the British Virgin Islands on 1 February 2006, has been appointed as the Company's Investment Manager. The Company's portfolio will be managed by the Investment Manager, subject to the overall policies, control, direction, review, instructions and supervision of the Board. VNHAM will operate out of its offices in Hanoi and HCMC and its branch office in Zurich and intends to build on its current team of five individuals to a staff of 15 professionals. The Investment Manager has appointed quondam viet nam partners ltd. as its Investment Advisor to provide it with investment advice and additional administrative services. To further supplement the local and international expertise of the Investment Manager, an Advisory Council comprising prominent figures in Vietnam has been formed by the Company.

The relationship between the Company, the Investment Manager, the Investment Advisor and the Advisory Council is illustrated in the diagram below.



#### 2. INVESTMENT RATIONALE

Vietnam is a country with a population of over 83 million and a land area of approximately 330,000 square kilometres bordered by Cambodia, Laos and China. It has a young population with more than half under the age of 25 and a high literacy rate of 96 per cent. The country's economy is growing rapidly, with 7.2 per cent. average GDP growth per annum over the past ten years, reaching 8.4 per cent. per annum growth in 2005 and projected by the Investment Manager to grow an average of 7.5 per cent. over the next three years. Additional growth drivers include:

- demand potential: Vietnam's emerging young middle class is fuelling consumption growth;
- financing options: consumer loans are beginning to be tentatively established and Vietnam's banking system, which is currently under-developed, is poised for major changes as a result of pending banking reforms and the privatisation of State-owned commercial banks;

- export potential: in 2005, exports contributed to 50 per cent. of Vietnam's GDP, with oil, textiles, garments, seafood and footwear being the largest export items;
- integration into the international trade system: the US Bilateral Trade Agreement has been in force since 2001, the Vietnam European Union Early Harvest Agreement was signed in December 2004, and discussions have commenced on a Vietnam-Japan bilateral Economic Partnership Agreement;
- expected accession to the WTO will result in more open markets in Vietnam; and
- development and liberalisation of the Vietnamese capital markets: the Government has shown its commitment by, among other things, offering tax incentives for companies to list on the Vietnam Stock Exchange.

The Directors and the Investment Manager believe that the economic drivers listed above and reforms in the securities laws have created and should continue to create a favourable investment environment with investment opportunities in both Listed Companies and Unlisted Companies based in, or with substantial assets in, Vietnam. In particular, the Directors and the Investment Manager consider that there are likely to be attractive investment opportunities generated by the partial privatisation of SOEs. These opportunities will be an area of primary focus for the Company. The Directors and the Investment Manager believe that as a result of their focused and structured approach and combined experience and established contacts in Vietnam, the Company is well placed to take advantage of the investment opportunities in Vietnam and to provide its Shareholders with long-term returns.

### **3. INVESTMENT OBJECTIVE**

The investment objective of the Company is to achieve long-term capital appreciation by investing in a diversified portfolio of companies either in Vietnam or with a significant portion of their assets or operations in Vietnam. The objective is to invest in companies that have high growth potential at an attractive valuation. To realize this objective, one focus of the Company will be on the large number of SOEs which the Government wishes to privatise and list on the Vietnam Stock Exchange.

### **4. INVESTMENT OPPORTUNITY: STATE-OWNED ENTERPRISES**

SOEs have traditionally played a leading role in Vietnam's economy. As at 31 December 2004, there were approximately 3,800 SOEs in Vietnam employing 2.2 million people in various industries. However, many SOEs suffer from inefficiency, outdated technology and equipment, uncompetitive products, poor management and an inability to respond to market forces in a timely manner. The Government has instituted a reform programme for SOEs with the assistance of the World Bank and other foreign donors and the SOEs are being restructured, primarily through equitisation, which involves the issuance of new shares by the SOE or the sale by the Government of an equity stake in the SOE to employees and other investors. The Government has shown its commitment to equitisations, as demonstrated by recent legislation aimed at improving the transparency of the process and to better protect investors. As of 31 December 2004, 2,242 SOEs had been equitised for aggregate gross proceeds of VND17.7 trillion (approximately \$1.1 billion). In June 2005, the Vietnamese government named 178 SOEs which should in due course be listed on the Vietnam Stock Exchange. The Directors and the Investment Manager believe that there are attractive investment opportunities arising from the equitisation process that the Company is well placed to identify and to invest in. The Investment Manager expects the Vietnam Stock Exchange to undergo a significant expansion upon the listing of the former SOEs which could result in a substantial increase in liquidity.

Further details of the regulatory environment relating to SOEs in Vietnam and the Vietnamese economy in general are set out in Part 4 of this document.

### **5. INVESTMENT STRATEGY**

The Company will attempt to achieve its investment objective by investing in the securities of former SOEs in Vietnam, the securities of private companies in Vietnam (either Vietnamese or foreign-owned) and the securities of foreign companies if a significant portion 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 70 per cent. of its funds in former SOEs, up to 25 per cent. in private and foreign companies and not more than 20 per cent. in convertible securities.

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

- consumer goods and pharmaceuticals;
- services, both in the domestic market as well as global outsourcing service providers;
- power and energy, primarily oil and gas;
- telecommunications, including mobile phone and cable television;
- mining, in particular coal;
- tourism;
- financial services, namely banks, brokers and insurance companies;
- 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 impending accession of Vietnam to the WTO such as garments, 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 connections of the Directors, the Investment Manager and the Advisory Council, on other regions in Vietnam.

The Company may invest in former SOEs prior to, at or after the time these securities become listed on the Vietnam Stock Exchange, including the initial privatisation or equitisation of the SOE. The Company may invest in equity securities of former SOEs or private companies in Vietnam either through purchases of their shares on the Vietnam Stock Exchange or, for those companies which are not yet listed on the Vietnam Stock Exchange, through purchases on the OTC Market or through privately negotiated deals. The latter could include purchases of newly-issued equity securities issued by the Investee Company or securities with equity features. The Company may additionally invest in equity securities of companies outside Vietnam with a significant portion of their assets held or operations based in Vietnam. In all cases of investments in the equity securities of 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.

As required by the AIM Rules, the Company's investment strategy must be approved by Shareholders each year at the Company's annual general meeting.

Until the Investment Manager has identified suitable investments, the Company may invest its uninvested 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 on deposit, or in other high-quality fixed-income securities denominated in US dollars, by the Custodian or the Vietnam Sub-Custodian for the benefit of the Company.

The Company may utilize derivatives contracts for hedging purposes when available and may hedge its Dong 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, VNHAM may cause one of its directors, employees or appointees to join the board of the Investee Company. Where VNHAM 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 will carry out extensive due diligence on such potential investment. The extent of the due diligence will depend upon the nature of each investment, with greater due diligence being possible in the context of a negotiated purchase than in the context of a purchase of shares upon the equitisation or privatisation of a SOE.

## **6. INVESTMENT RESTRICTIONS**

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 subject to export restrictions or anti-dumping measures or that are known to be under investigation for the same; and
- the Company will not be a real estate investor or invest in infrastructure projects with long pay-back periods.

In addition, under Vietnamese law:

- foreign investors (such as the Company) as a group are currently restricted from holding in excess of 49 per cent. of the total issued shares of any Listed Company. The Company will not attempt to purchase shares in any Listed 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 can only own up to 30 per cent. of an unlisted domestic joint stock company and then only in certain sectors expressly open to foreign investment, as stipulated by the Government from time to time. Currently, the areas open to foreign investment include specific activities in the sectors of: agriculture, forestry and fishing; industry and processing; transportation, storage and communication; science, technology, health and education; and tourism, hotels and restaurants. The Company intends to invest only in Unlisted Companies which are authorised to sell shares to foreign investors; and
- as of 1 July 2006, the Investment Law and the Enterprise Law of Vietnam will become effective. These laws will result in substantial change to the rights of foreign investors in Vietnam. However, the implementing regulations for these laws have not yet been issued and it is not therefore possible to state with any degree of accuracy how the investment rights of portfolio investors such as the Company may be affected. Depending on what the implementing regulations say when they are published, the Company's investment strategy may have to be revised accordingly.

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

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.

## **7. INVESTMENT PROCEDURES AND INVESTMENT REALISATION**

Pursuant to the Investment Management Agreement, the Board has delegated decision making powers with regard to investments by the Company to the Investment Manager and as such, the Investment Manager is responsible for all aspects of the implementation and execution of investment decisions.

Investment opportunities will originate from a variety of sources, the most significant being from the Advisory Council, the Board, the Investment Manager, the Investment Advisor, and banks and other professional intermediaries known to the Investment Manager and the Investment Advisor. Once an investment opportunity has been identified, the Investment Manager (with the assistance of the Investment Advisor) will research and analyse the opportunity relying on its in-depth knowledge of Vietnam, the Vietnam Stock Exchange and the

companies to be listed on it, and the business contacts that its directors and officers have established during their experience in Vietnam. The Investment Manager may use third party consultants where necessary and available, but it does not anticipate having to rely on such consultants at present.

The Executive Committee of the Investment Manager will be primarily responsible for the preparation of a preliminary report covering all aspects of the proposed investment and this report will be provided to the Chairperson of the Investment Manager for his approval. The Chairperson will be responsible for ascertaining whether the proposed investment is appropriate for the Company and whether it meets the investment policies and restrictions set out in this document. Once the Chairperson has confirmed that the investment opportunity meets the requisite criteria, the Investment Manager will be responsible for coordinating and conducting such due diligence (if any) as it considers appropriate on the proposed investment prior to effecting the investment and will have the ability to retain, if it considers necessary, external accounting, legal and operational consultants to perform due diligence at the expense of the Company.

The Chairperson of the Investment Manager will have the authority to make decisions on investments of less than two per cent. of the Net Asset Value of the Company. For investments of more than two per cent. of the Net Asset Value of the Company, the board of the Investment Manager shall have to approve such transactions by a majority vote of its members. In addition to its own internal approvals, the Investment Manager must obtain prior approval from the Company by way of a unanimous vote of the Directors before undertaking any investment of more than four per cent. of the Net Asset Value of the Company or any sale of an investment in an Unlisted Company of more than four per cent. of the value of the shares of such company.

Once the necessary approvals have been secured, the Investment Manager will use commercially reasonable efforts to structure the investment in an appropriate manner bearing in mind, among other considerations, the Company's eventual exit. Once the investment is made, the Investment Manager will be responsible for monitoring the investment. It will seek to develop a close working relationship with the board and management team of the Investee Company and will review all of the Investee Company's financial statements and other publicly available documentation.

As part of its ongoing responsibilities under the Investment Management Agreement, the Investment Manager will, among other things, provide a report to the Directors in advance of the regular Board meetings detailing its activities and proposed strategy in relation to existing and potential investments.

The Investment Manager may delegate certain activities to the Investment Advisor but the Investment Manager shall remain fully liable at all times for its responsibilities to the Company. In particular, the Investment Manager may delegate the provision of liquidity management services, including interim placements in international bond markets and the execution of any purchase of shares in markets outside of Vietnam to the Investment Advisor.

## **8. PARALLEL INVESTMENTS**

The Company may invite Shareholders who subscribe for and are allotted at least five per cent. of the Ordinary Shares, for as long as they retain those Ordinary Shares, to co-invest with the Company in certain investments and in certain circumstances on terms no less favourable than the terms on which the Company invests. This opportunity to invest will be made available to such qualifying investors in cases where the Investment Manager considers that the Company has achieved its maximum investment in the relevant investment and provided that additional participation in the relevant investment is available for such qualifying investors. In any event, an invitation for parallel investment will only be made when the Investment Manager is satisfied that the interests of the Company will not be unfairly prejudiced by such invitations. Neither the Company nor the Investment Manager will advise Shareholders in connection with any such investment and neither accepts any liability in connection with any such investments. It shall be the sole responsibility of the Shareholders who wish to take up such parallel investments to evaluate such investments and arrange for and complete all necessary Vietnamese formalities in connection with such parallel investment.

## **9. FOREIGN EXCHANGE POLICY**

It is the Company's policy to determine the valuations of all investments in US dollars. Consequently, the value of its investments may fluctuate with changes in the rate of exchange of the US dollar against the Dong or any other currency in which an investment is made. The Company may, however, enter into arrangements to hedge currency risks if such arrangements become desirable and practicable in the future in the interest of efficient portfolio management.

## **10. DISTRIBUTION POLICY**

### **Capital distributions**

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 (as described below). Alternatively, the Board may offer to 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 purchase Ordinary Shares pursuant to a tender offer to repurchase Ordinary Shares at a price not exceeding the last published Net Asset Value per Share. The method of calculation of the redemption price of the Ordinary Shares is set out in the Articles and is summarized in Part 7 of this document. Payment of the redemption price for Ordinary Shares will normally be made in US dollars within 30 calendar days after the effective date of the redemption. However, the Company may not be able to convert Dong revenues into US dollars for distribution at any specific time, and even if it succeeds in such conversion, it may not be able to remit them outside Vietnam at any specific time.

Except as described above, the Shareholders have no right at any time to require their Ordinary Shares to be redeemed or repurchased by the Company.

### **Income distributions**

The Board may from time to time declare any such dividends to Shareholders as appropriate. No dividend may be declared or paid other than from funds lawfully available for distribution including share premium. The Company's income from investments will be applied first to pay the fees and other expenses of the Company, which are described in Part 2 and Part 3 of this document. The Company's net income (excluding capital gains), if any, may be distributed to Shareholders, subject to retention of sufficient funds to meet anticipated fees and other expenses and subject to the ability to convert Dong income into foreign currency for purposes of paying such dividends. Any dividends unclaimed after a period of six years after having been declared will be forfeited and revert to the Company. No dividend payable by the Company on or in respect of any Ordinary Share will bear interest against the Company.

## **11. BORROWINGS**

The Company is permitted to borrow money and to grant security over its assets. However, the Articles limit such borrowings to 25 per cent. of the latest available Net Asset Value of the Company at the time of the borrowing, unless the Shareholders in general meeting otherwise determine by Ordinary Resolution. All guarantees or indemnities that expose the Company to a contingent liability must be signed by a Director pursuant to a duly authorised resolution of the Board in order to be valid.

## **12. SUITABILITY**

As an unregulated investment vehicle, the Company may only be marketed to, and is only suitable as an investment for, sophisticated investors with an understanding of the risks inherent in investment in emerging market jurisdictions and an ability to accept the possibility of the total loss of the entire amount invested in the Company.

## **13. LIFE OF THE COMPANY**

The Company does not have a fixed life but the Board considers it desirable that Shareholders should have the opportunity to review the future of the Company at appropriate intervals. As such, in 2013, the Board will propose at the Company's annual general meeting, an Ordinary Resolution that the Company will continue in existence. If such resolution is not 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.

## PART 2

### DIRECTORS, MANAGEMENT AND ADMINISTRATION

#### 1. THE DIRECTORS OF THE COMPANY

The Directors have the overall responsibility for the Company's activities, including the establishment and review of the Company's investment objectives, policies and restrictions and making all policy decisions on portfolio allocation and risk profiles. The Board, which will meet at least once each quarter, will also monitor the Company's performance, approve investments exceeding a certain value in accordance with the approval process described in Part 1 of this document and provide such instructions to the Investment Manager as it considers appropriate. The Directors of the Company are as follows:

**Min Hwa Hu Kupfer** (*Chairperson*), aged 51

Mrs. Kupfer was, until recently, the President of GE Capital Finance (China) Co., Ltd. Her prior banking career includes 15 years with Bank One/The First National Bank of Chicago. Her previous senior executive positions include Senior Vice President and Head of Middle Markets and Retail Strategy for Bank One and Country Manager, China for First Chicago. Mrs. Kupfer assumed the Chairmanship of the American Chamber of Commerce in China, the first female executive to hold such a position in China. She has strong insight into other parts of Asia, having travelled extensively on business within Southeast Asia. Mrs. Kupfer holds a BS degree from National Taiwan University, an MS from the University of Illinois and an MBA from the University of Chicago.

**John Joseph Hoey** (*Vice-Chairman*), aged 66

Mr. Hoey is the President and sole shareholder of Beneficial Capital Corp. He was a co-founder and is a director of the publicly listed Tethys Oil AB based in Sweden with worldwide activity in oil and gas exploration and production. Mr. Hoey was President and Chief Executive Officer of publicly traded Hondo Oil and Atlantic Refining & Marketing Corp. He has held various executive positions in commercial and investment banking in Saudi Arabia, the UK and the USA. From 1967 to 1971, he served in the US State Department in Saigon. Mr. Hoey holds a BSME degree from Notre Dame University and an MBA from Harvard University.

**Professor Dr. Rolf Dubs**, aged 74

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

**Nguyen Quoc Khanh**, aged 64

Mr. Khanh completed his studies in France with a Master in Mining Engineering and spent over 35 years with the Shell Group. He served in senior management and finance positions in many countries before accepting an assignment as Chairman and Chief Executive Officer of Shell Vietnam from 1996 until 2002. He lives in France and in Vietnam and is an active private equity investor in Vietnam.

#### 2. THE INVESTMENT MANAGER

Vietnam Holding Asset Management Limited, a newly formed company, has been appointed as the Company's Investment Manager. The members of VNHAM and its board (whose details are set out below), have experience in research into companies listed on the Vietnam Stock Exchange and in advising on and dealing in emerging market securities generally. VNHAM's board will be actively involved in the investment management process and will support the management of VNHAM in negotiating and structuring individual investments. Under the Investment Management Agreement, VNHAM has been given responsibility for the day-to-day management of the Company's investment portfolio in accordance with the Company's investment policies, objectives and restrictions. It is responsible for, among other things:

- providing a continuous investment programme for the Company's assets, namely seeking suitable investments and negotiating and structuring individual investments;
- advising and supporting the development of investments held by the Company in the manner it determines appropriate;
- determining the appropriate time and mechanism for the disposal of the investments held by the Company; and

- providing investment research and advice on all of the Company's securities, investments and cash equivalents.

The Company will pay the Investment Manager a monthly management fee at a rate equal to one-twelfth of two per cent. per month of the Net Asset Value of the Company which fee shall accrue daily and be payable monthly in advance and be calculated by reference to the Valuation Date at the end of the preceding month. The first payment is due two business days after the date of Admission in respect of the period from the date of Admission to the end of the first calendar month, and will be calculated by reference to the total net proceeds of the Placing on the date of Admission.

The Investment Manager will also be entitled to an incentive fee equal to 20 per cent. per annum over a five per cent. hurdle rate. The Company will pay a performance bonus each year at the rate of 20 per cent. of the annual increase in Net Asset Value over the higher of an annualised hurdle rate of five per cent. or a "high water mark" requirement. The Investment Manager will receive the bulk of this bonus while a previously agreed portion which shall be no greater than 20 per cent. of the total will be distributed to the Board. The Company will distribute the performance bonus within 14 days after the Board has approved the annual audited financial statements of the Company in respect of the relevant financial year.

The board of the Investment Manager comprises five directors, of whom Jürg Vontobel is the only executive director and the other members are non-executive directors. Brief biographies of the current directors are set out below.

**Jürg H. Vontobel** (*Chairperson*)

Mr. Vontobel lived in Vietnam from 1993 to 1996 during which time he was the General Manager of ING Bank. In 1996, ING Bank was nominated by Euromoney as the best foreign bank in Vietnam. His previous banking career included positions as General Manager of ING Bank in Geneva and 16 years with First Chicago, including three years in the Philippines and three years as the Regional Manager in Singapore. Mr. Vontobel continued to be involved in Swiss projects in Vietnam, while serving as Managing Director of the Discount Bank in Zurich and as a member of Union Bancaire Privée's Zurich Executive Committee. In 2004, Mr. Vontobel founded quondam aquila partners, an asset management firm in Zurich and became the Strategic Partner to SECO for Financial Sector Development, with numerous projects in Vietnam's banking and security industry.

**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 based in Singapore as MasterCard's General Manager in Southeast Asia. His extensive global banking career included senior management assignments with major banks in six countries and service as the Chief Executive Officer of First City, Texas, a bank in Austin, Texas. Mr. Van Stone holds an MBA from Harvard University.

**Nguyen Thi Nhung**

Mrs. Nguyen was born in Vietnam and completed her studies in economics at the University of Fribourg. Her professional career includes several years in financial analysis, fund management and liaison with fund managers, covering Japan and other Asian markets for Banque Privée Ed. de Rothschild, Union Bancaire Privée and Lombard Odier & Cie in Geneva. Between 1999 and 2002 she was a Vice President at Discount Bank. Her responsibilities included the Asian equity allocations and investment control of the bank's Asian equity funds. She managed the bank's Swiss Equity fund with over 60 million Swiss francs, which consistently outperformed the benchmark SMI Index.

**Dr. Nguyen Tuyet Mai**

Dr. Nguyen has extensive investment and banking experience in Asia's emerging markets, including in project financing, structured finance, restructuring and strategic management consulting. She established and led the structured finance activity of ABN-AMRO Bank in Vietnam in the 1990s. More recently, she managed the IFC-sponsored Bank Training Center in Vietnam. Currently, Dr. Nguyen is an advisor to IFC on financial sector development in Vietnam and China. She has worked in several other countries in Southeast Asia, as well as in Hong Kong, Russia, the United States and England and holds a Ph.D in Philology from Moscow State Linguistic University and an EMBA from the University of Southampton (UK).

**Anthony D. Salzman**

Mr. Salzman has been a private equity investor in Southeast Asia since 1992. After founding V-TRAC as a joint venture with Caterpillar Inc. and operating as its Chief Executive Officer, Mr. Salzman arranged V-TRAC's

management buyout and continues as its Chairman. Formerly, Mr. Salzman was the Managing Director of Salzman International Investments, Vice President of Lehman Brothers and Corporate Strategist and Marketing Manager of American Express Company. He was Chairman of the American Chamber of Commerce in Hanoi, and is a member of the Council on Foreign Relations (New York). Mr. Salzman holds a BA from Yale University and a law degree from Duke University.

### **3. THE EXECUTIVE COMMITTEE**

In order to carry out its responsibilities under the Investment Management Agreement, the Investment Manager has assembled a team of committed local and foreign professionals who have broad experience in the areas of private banking, financial and economic consulting, asset and fund management, corporate governance and financial management. Certain key personnel of VNHAM are members of its Executive Committee, which will be principally responsible for the day-to-day management of the Company's portfolio. Brief biographies of the current members of the Executive Committee are set out below.

#### **Jessica Graf** (*Managing Director*)

Ms. Graf was, until very recently, the Counsellor for Economic Affairs at the Swiss Embassy in Hanoi. Her previous assignments included advisory and program management positions in Pakistan, Russia, Bosnia & Herzegovina and Austria, where she focused on public administration reforms and economic governance. She holds a BA in Political Science from the University of Geneva and an MBA from INSEAD in France and Singapore. Ms. Graf speaks six languages fluently.

#### **Cung Tran Viet**

Mr. Viet was one of the first advisors to the Ho Chi Minh City Securities Trading Center when it was established in 1998. Since 2002, he has been a lecturer at the HCMC National University's Faculty of Economics and has founded PSV Investment & Finance Consulting Co. He teaches on the subjects of corporate finance, securities market and valuations. He has participated in several consulting projects with local securities firms. He holds a Masters Degree in Commerce, with a major in Finance from the University of Sydney, Australia and a BS in Food Processing Engineering from the Technological Institute in Odessa.

#### **Nguyen Quang Duc**

Mr. Duc has 12 years banking experience with three of the leading international banks in Vietnam. As a senior manager in Corporate Banking of ANZ Bank, Hanoi branch, he primarily served the SOEs, gaining an in-depth knowledge of this sector and building strong relationships with the senior management of many SOEs over the past five years. Previously, Mr. Duc worked in corporate banking for ING Bank and ABN AMRO in Hanoi. He holds an MBA from the Boise State University in Idaho, USA.

#### **Nguyen Thanh Phuong**

Ms. Phuong was, until recently, the Deputy Finance Director of Holcim (Vietnam) Limited, a Swiss multinational company, a significant investor in Vietnam. She gained exposure to the finance industry by working at a Vietnamese securities company and the State Securities Commission and has attended a number of workshops in the USA as well as in Switzerland on asset management, alternative investments and wealth management. Ms. Phuong holds an economics degree from the National Economics University in Hanoi and an MBA from the International University in Geneva.

#### **Tran Bao Toan**

Mr. Toan was born in Vietnam, but has lived for many years in Switzerland and is a Swiss citizen. In Switzerland and Luxembourg he worked in private banking, asset and fund management for Banque Générale du Luxembourg and for Aargauische Kantonalbank, where Mr. Tran was senior portfolio manager and Head of Research for four years. In 2005, he returned to live and work in Vietnam and has since been involved in several projects in the banking industry and for the State Securities Commission. He holds a MBA from the University of Fribourg in Switzerland and is completing his Ph.D thesis on "Development of Corporate Governance at the Vietnamese Banks" at the University of St. Gallen, Switzerland.

### **4. THE INVESTMENT ADVISOR**

Pursuant to an investment advisory agreement, quondam viet nam partners ltd. has been appointed as VNHAM's Investment Advisor and is responsible for providing strategic advice to the Investment Manager on a non-exclusive basis. The Investment Advisor is also responsible for, among other things:

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

- provide strategic advice on the processes and management systems of the Investment Manager;
- providing advice on dealing with investors and custodians;
- using its best efforts to introduce the Investment Manager to potential Investee Companies;
- providing liquidity management services, including interim placements in international bond markets;
- executing the purchase of shares for the Company's portfolio in markets outside of Vietnam; and
- otherwise working closely with the Investment Manager to help the Company achieve its investment objective.

The Investment Advisor may delegate the liquidity management function to an affiliated third party pursuant to the terms of the Investment Advisory Agreement. The Investment Advisor's fees will be paid by the Investment Manager.

65 per cent. of the shares of the Investment Manager are owned by the Investment Advisor and the remaining 35 per cent. are owned by VNHAM management.

## **5. THE ADVISORY COUNCIL**

The Advisory Council has been established to advise the Investment Manager and will be comprised of business leaders, existing and former senior government officials and leading investment professionals. The Advisory Council will provide the Investment Manager with strategic and transaction specific advice and input into policy discussions and will also serve as an intermediary between the Investment Manager, on behalf of the Company, and domestic investment targets. Brief biographies of the current appointees to the Advisory Council are set out below and the Investment Manager expects to appoint several other individuals to the Advisory Council in the future.

### **Dr. Cao Sy 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 Vice-Chairman of the Communist Party's Central Economic Committee, is the Vice-Chairman of the Advisory Council on National Financial and Monetary Policies and is the Chairman of the Vietnam Association of Small- and Medium-Sized Enterprises. Since January 2006, Dr. Kiem has also been the Vice-Chairman of the Vietnamese Learning Promotion Association. His previous positions in Vietnam included Secretary of the Communist Party of Thai Binh province as well as Director of the State Bank of Thai Binh Province. Dr. Kiem holds a Ph.D in economics from the National Economic University of Vietnam.

### **Dr. Le Dang Doanh**

Dr. Doanh is currently an advisor to the Vietnamese Minister of Planning and Investment. Previously, he was a permanent member of a number of government institutions, including the Government Commission for SOE Reform and the Advisory Council on the National Financial and Monetary Policies. He has held several senior government and Communist party positions and was Vice President, Vice-Minister and finally President of the Central Institute for Economic Management. He is also a visiting professor at the Nihon-University in Tokyo. Dr. Doanh holds a Ph.D from the National Economic University in Hanoi, he concluded post graduate studies at the Academy of National Economy in Moscow and graduated at the Technical University of Leuna-Merseburg in Germany.

### **Dr. Lajos Bokros**

Dr. Bokros, the former Minister of Finance of Hungary (1995 to 1996) is known in Eastern Europe and the former Soviet Union for his efforts to reform public finance policy during the eight years that he was Director of Private and Financial Sector Development in Europe and Central Asia at the World Bank. He started teaching at the Central European University in 2003 and became its Chief Operating Officer at the beginning of 2006. Dr. Bokros has visited Vietnam several times in the recent past on World Bank missions as well as a speaker at events sponsored for the State Bank of Vietnam by the State Secretariat for Economical Affairs (SECO).

### **Markus Winkler**

Mr. Winkler completed his studies at the HSG University of St. Gallen, Switzerland and is the founder of VGZ, Vermoögensverwaltungs-Gesellschaft Zurich, an investment management firm in Zurich. His interest lies in undervalued investment situations in general and in emerging markets in particular.

## **6. THE CUSTODIAN, ADMINISTRATOR AND COMPANY SECRETARY**

Credit Suisse (Luxembourg) SA provides custodian services to the Company pursuant to the Custody Agreement. The Custodian will hold such of the Company's assets as can be legally held outside of Vietnam. Vietnamese law requires that the Company's shares in Investee Companies listed on the Vietnam Stock Exchange must be held by a custodian registered as such in Vietnam and these assets will therefore be held by the Vietnam Sub-Custodian. The Vietnam Sub-Custodian will also hold for safekeeping all original title documents of the Company with regard to the Company's investments in Unlisted Companies established in Vietnam.

Sub-Custodians may be appointed by the Custodian, provided that the Custodian's duties, obligations, responsibilities and liabilities with regard to the Company's assets will be the same as if such assets were held by the Custodian.

Credit Suisse Asset Management Fund Service (Luxembourg) S.A. has been appointed to act as administrator of the Company, and as such to provide a range of administrative services (including the calculation of the Net Asset Value of the Company) to the Company pursuant to the Administration Agreement.

Pursuant to the Registered Office and Secretarial Services Agreement, CARD Corporate Services Ltd. has been appointed to provide company secretarial services for the Company and the registered office of the Company and also to act as the Company's registrar.

Further details of the Custody Agreement, the Administration Agreement and the Registered Office and Secretarial Services Agreement are set out in paragraphs 7.6, 7.7 and 7.8 of Part 7 of this document.

## PART 3

### OTHER INFORMATION

#### 1. FEES AND EXPENSES

##### *Admission and Placing fees*

All fees and expenses of the Placing and Admission, which will include the fees of the Custodian and Administrator, Admission fees, the fees of and expenses incurred by quondam aquila partners in respect of the incorporation of the Company and the fees of the professional advisors in respect of the preparation of this document and all other ancillary documentation, will be paid out of the gross Placing proceeds. The Directors do not anticipate that the formation and initial expenses relating to the Placing and Admission will exceed four per cent. of the gross Placing proceeds.

##### *Ongoing fees*

**Management Fee and Incentive Fee:** The Company will pay the Investment Manager the monthly management fee and an annual incentive fee, further details of which are set out in Part 2 of this document.

**Other Fees and Expenses:** The Investment Manager may appoint, at the expense of the Company, on commercial terms, such lawyers, accountants, consultants and others as are required in relation to the appraisal, acquisition, maintenance and disposal of investments by the Company. The Investment Manager may also appoint such other agents of the Company as it may consider appropriate to accomplish the goals and objectives of the Company, using its best judgment in the circumstances. The Company shall be responsible for the payment of such agents. The Investment Manager will only be responsible for the fees and expenses of agents who perform services on behalf of the Company if the Company demonstrates that they are fulfilling a function that should be within the normal abilities of an investment manager of average skill and diligence managing a portfolio of the size of that managed by the Investment Manager in Vietnam. The Investment Advisor's fees will be borne by the Investment Manager.

The Company is responsible for the prompt payment or reimbursement to the Investment Manager or other parties instructed by the Investment Manager of any costs and expenses of the Company, including costs and expenses relating to the administration of the Company, the costs of maintaining the Company's investments and the costs of investments or divestments by the Company, including any legal fees, consulting fees, commissions, transfer fees, registration fees, taxes and similar liabilities and costs. The Company will also bear the costs of maintaining the listing of the Ordinary Shares on AIM. All the costs of the Investment Advisor will be borne by the Investment Manager.

The Board will determine the fees payable to each Director, subject to a maximum aggregate amount of \$250,000 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. Details of the Directors' letters of appointment are set out in paragraph 5.9 of Part 7 of this document.

The Custodian will receive a fee of 0.26 per cent. per annum of the value of the assets held by it. The Custodian will also charge certain fees for actual transactions. The Custodian will also be entitled to charge their out-of-pocket and any third party expenses, which will be billed as and when they are incurred.

In consideration for the services to be performed under the Administration Agreement, the Administrator will receive a fee of 0.10 per cent. 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 per annum. The Administrator is also entitled to be reimbursed for all out-of-pocket expenses.

The Secretary will receive from the Company an annual fee of \$1,350 for providing the Company with registered office facilities, an annual fee for providing certain company secretarial services to the Company and an incorporation fee of \$1,000. In addition, the Secretary is entitled to recover from the Company all expenses and disbursements (including filing and registration fees paid to the Registrar, courier, telephone, facsimile, printing and photocopying) properly incurred or paid by the Secretary on behalf of the Company or otherwise in the performance of its services under the Registered Office and Secretarial Services Agreement. Additional legal services, if any, would be referred to Charles Adams Ritchie & Duckworth and would be paid for on the basis of time incurred.

The Company is responsible for all administrative costs relating to the Company, including the costs of preparing, printing and distributing reports and financial statements, the costs incurred in printing and publishing the Net Asset Value, and any additional administrative costs incurred from time to time.

## 2. ACCOUNTING STANDARDS

The audited accounts of the Company will be prepared in accordance with International Financial Reporting Standards.

## 3. REPORTS AND ACCOUNTS

The Company's financial year end is 30 June, with the first accounting period of the Company ending on 30 June 2006. It is expected that the audited financial statements will be sent to Shareholders within six months of the end of the relevant financial year. The Company will also publish an unaudited half-yearly interim report covering the six month period to 31 December each year within three months of that date.

## 4. VALUATION POLICY AND REPORTING

The Net Asset Value and the Net Asset Value per Share will be determined by the Administrator in accordance with the Articles and information supplied to it by or on behalf of the Company as at the close of business in the last relevant market to close on each Valuation Day. The Net Asset Value per Share shall be determined by dividing the Net Asset Value by the number of Ordinary Shares issued and outstanding at the time of calculation and rounding up to three decimal places. The Auditors will audit the financial statements and the Net Asset Value on an annual basis.

The Net Asset Value will be expressed in US Dollars. For the purpose of establishing a US Dollars Net Asset Value at any particular Valuation Date, any assets and liabilities denominated in a currency other than US Dollars will be converted in accordance with the principles expressed in IFRS and on the basis that US Dollars is the functional currency of the Company.

The Company's Net Asset Value will be established in accordance with IFRS and, in relation to investments made by the Company, in accordance with the specific provisions of IAS 39. The Company will, where permitted by IAS 39, designate all its debt and equity investments as financial assets at fair value through profit or loss. Specifically:

- (a) Listed securities will be valued at their last traded prices at the last official close of the Vietnam Stock Exchange on the relevant Valuation Day.
- (b) Investments in unlisted securities for which an active OTC Market exists will be stated at fair value based upon price quotations received from at least two independent brokers.
- (c) Other unlisted securities will be valued at fair value using a valuation technique determined by the Directors and in accordance with IAS 39.

The liabilities of the Company will be deemed to include, among other things, such provisions and allowances for contingencies as the Board may from time to time consider appropriate and in accordance with IFRS.

For the purpose of ascertaining quoted, listed, traded or market dealing prices, the Administrator shall be entitled to use and rely upon mechanised and/or electronic systems of valuation dissemination with regard to valuation of investments of the Company and the prices provided by any such system will be deemed to be the last traded prices for the purpose of paragraph (a) above.

The Net Asset Value per Share will be published monthly through a Regulatory Information Service Provider as soon as practicable after the end of the relevant month. It is expected that the first Net Asset Value per Share after Admission will be calculated as at 30 June 2006.

The Investment Manager will immediately notify AIM if there is any suspension in the calculation of the Net Asset Value. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

## 5. TAXATION

Information concerning the tax status of the Company in Vietnam and as a Cayman Islands incorporated exempted company and the taxation of certain Shareholders is contained in Part 6 of this document. **If any potential investor is in any doubt about the taxation consequences of acquiring, holding or disposing of Ordinary Shares, he should seek advice from his own independent professional advisor.**

## **6. LOCK-IN ARRANGEMENTS**

Each of the Company's Directors (and related parties) and certain of the Placees have agreed not to dispose of any interest in their Ordinary Shares within a period of one year following Admission except in certain restricted circumstances. Details of these lock-in arrangements are set out in paragraph 7.9 of Part 7 of this document.

## **7. ADMISSION, SETTLEMENT AND DEALINGS**

Application has been made to the London Stock Exchange for the issued and to be issued Ordinary Shares of the Company to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings will commence on 12 June 2006.

The Directors have arranged for the Ordinary Shares to be admitted to Euroclear and Clearstream with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the Euroclear or Clearstream system if Shareholders so wish. Euroclear and Clearstream are paperless settlement procedures which allow securities to be evidenced without a certificate and transferred otherwise than by written instrument. Euroclear and Clearstream are voluntary systems and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

No temporary documents of title will be issued. All documents or remittances sent by or to a Shareholder, or as they may direct, will be sent through the post at the Shareholder's risk. Pending the despatch of definitive share certificates (if applicable), instruments of transfers will be certified against the register of Shareholders of the Company. Should Shareholders with share certificates subsequently wish to hold their Ordinary Shares in Euroclear or Clearstream, they will need to follow the requisite Euroclear or Clearstream procedures for the dematerialisation of their shareholding.

The Secretary will be responsible for the maintenance of the register of Shareholders of the Company.

## **8. TRANSFERS OF CERTIFICATED SHARES**

The instrument of transfer transferring any Ordinary Shares shall be in the usual common form or in any other form which the Board may approve and be signed by the transferor. The transferor will be deemed to remain the holder of the Ordinary Shares until the name of the transferee is entered in the Company's register of Shareholders in respect thereof.

All transfers and other documents of title relating to any Ordinary Shares must be lodged for registration with the Administrator. The Company may decline to register any transfer of Ordinary Shares to a person whose holding of Ordinary Shares would, in the conclusive determination of the Board, cause or be likely to cause a pecuniary, tax, legal, regulatory or material administrative disadvantage to the Company or its Shareholders as a whole in any jurisdiction.

## **9. FURTHER ISSUES OF ORDINARY SHARES**

The Directors have authority to allot the authorised but unissued share capital of the Company following Admission. Shareholders do not have pre-emptive rights to subscribe for any of the Ordinary Shares so issued. Such authority will only be exercised and Ordinary Shares shall be allotted at a placing price which is not less than the last published Net Asset Value per Share unless the Directors have obtained the prior approval of Shareholders.

## **10. COMPULSORY TRANSFER OR REDEMPTION OF ORDINARY SHARES**

The Company may require the transfer of any Ordinary Shares and compulsorily redeem or require the transfer of any Ordinary Shares in issue if, in the conclusive determination of the Board, they are being held directly or indirectly by any person in breach of any law or requirement of any country or governmental authority or that, in the opinion of the Board, the tax status or residence of the Company is or may be prejudiced or the Company may suffer any pecuniary disadvantage, the Company would be required to comply with any registration or filing requirements in any jurisdiction with which it would otherwise not be required to comply or the assets of the Company may be deemed to be "plan assets" for the purposes of the United States Employee Retirement Income Security Act of 1974 (as amended), the Company may be required to register as an "investment company" under the United States Investment Company Act of 1940 (as amended), or any other material administrative disadvantage to the Company or its Shareholders may ensue.

## **11. THE PLACING**

The Company is offering the Placing Shares at the placing price of \$2.00 per Ordinary Share. The Placing, which is not being underwritten, will not proceed unless a minimum of 40 million Ordinary Shares have been subscribed in the Placing. LCF Rothschild and qvnp are acting as the Company's agents in connection with the Placing and will be entitled to a commission equal to three per cent. of the Placing Price multiplied by the total number of Placing Shares allotted by the Company and placed by such agent. This commission will be payable by the Company at Admission. Each of LCF Rothschild and qvnp will be responsible for paying any other sub-placing agents that are engaged by them in respect of the Placing. The net funds raised pursuant to the Placing will be used to invest in investment opportunities meeting the investment objective and policies of the Company

## **12. CUSTODY OF SHARES**

The Company will either hold the title to its investments itself or appoint such reputable international and/or local custodians in relation to its investments generally or in relation to a specific investment as it deems appropriate to hold the Company's investments on its behalf.

## **13. CORPORATE GOVERNANCE**

The Directors recognise the importance of sound corporate governance commensurate with the size of the Company and the interests of Shareholders. The Company has adopted a code of ethics. The Directors will comply with Rule 21 of the AIM Rules relating to directors' dealings. The Company has also adopted the model code for directors' dealings in securities of the Company.

## PART 4

### THE VIETNAMESE ECONOMY AND THE VIETNAM STOCK EXCHANGE

The following overview should be read in conjunction with the information described in the section entitled Risk Factors at page 16. No assurance can be given that the positive economic, social and political developments in Vietnam referred to in this document, including in the following Vietnamese economy and Vietnam Stock Exchange section of it, will continue nor that they will be adequate for the Company's purposes. If they do not continue, this may cause adverse economic, social or political consequences in Vietnam which may for a protracted period of time make satisfactory investments in Vietnam difficult or impossible to achieve.

#### OVERVIEW OF ECONOMIC REFORM AND RESULTING GROWTH

Vietnam has one of the fastest growing economies in the world. Since embarking on a path of economic reform in 1986, GDP based on constant 1994 prices has increased from VND109.2 trillion (approximately \$6.9 billion) in 1986 to VND362.4 trillion (approximately \$22.8 billion) in 2004. Primarily due to the performance of the industry and construction sector and the services sector, Vietnam has enjoyed further GDP growth in 2005 of 8.4 per cent.

Since 1986, Vietnam has been undergoing a transition from a centrally planned agrarian economy to a diversified market economy with growing industrial and services sectors. Vietnam produces and exports a wide range of primary commodities and manufactured goods including oil and gas, rice, coffee, aquatic products, garments, footwear, electronics and handicrafts. Tourism, telecommunications, construction, infrastructure, trade, transportation, finance and other services are increasingly contributing to the growth of the Vietnamese economy.

Vietnam experienced severe hyperinflation and related economic difficulties in the 1980s. In 1986, the Government adopted the Doi Moi comprehensive reform programme to partially address these problems by opening and restructuring the economy. Subsequent reform programmes promoting multilateralization, economic diversification, industrialization and modernization have guided Vietnam towards greater integration with the global economy. Partly as a result of these reforms, GDP per capita at current prices has increased from \$100 in 1990 to \$640 in 2005, while inflation has fallen from 67.1 per cent. in 1990 to 8.5 per cent. in 2005. Exports have increased from 30.8 per cent. of GDP in 1990 to 50 per cent. of GDP in 2005 and Vietnam has increased its number of trade partners from 50 countries and territories in 1990 to 170 countries and territories in 2005.

Vietnam has recently made a wide range of commitments towards free trade, economic reform and business liberalization pursuant to Vietnam's commitments to international organizations, the USBTA (US-Vietnam-Bilateral-Trade-Agreement), which came into force in December 2001, and Vietnam's planned substantial completion of AFTA (ASEAN Free Trade Area) requirements by 2006. In addition, Vietnam is in the process of implementing a broad range of legal and administrative reforms in preparation for its planned accession to the WTO which it hopes to complete in 2006.

The major participants in Vietnam's economy are domestic private enterprises, State-Owned Enterprises (SOEs) and foreign invested enterprises (FIEs). Under the current legislative regime, there are separate investment laws for FIEs, for domestic private firms and for SOEs. However, in November 2005, the Government promulgated a new Enterprise Law and a new Investment Law with the intention of creating a uniform set of rules regulating the formation and operation of both domestic and foreign enterprises.

Both the Investment Law and the Enterprise Law will come into effect on 1 July 2006 and are intended to apply to all investors and all forms of business, regardless of ownership or corporate structure. These two new laws are intended to increase business freedom and encourage private and foreign investment in a wider range of sectors and sub-sectors than presently allowed. Investors will be free to invest in all sectors except those explicitly listed as prohibited or subject to special conditions. FIEs will have the option to select the form of corporate entity that is most suitable to their business. Although FIEs can currently only take the form of limited liability companies, the Government recently carried out a pilot programme that allowed ten FIEs to convert to joint stock companies. The results of this pilot programme have been reflected in the Investment Law and Unified Enterprise Law which will permit FIEs to operate as joint stock companies with the possibility for eligible joint stock companies to raise capital from the public by listing on the domestic stock exchanges.

### *Equitisation of State-Owned Enterprises*

The establishment of a modern enterprise system is an important element of Vietnam's overall reform programme. Traditionally, SOEs have played a leading role in Vietnam's economy. In 1990, there were approximately 12,300 SOEs. At 31 December 2004, Vietnam had approximately 3,800 SOEs employing 2.2 million people in various industries. The 100 largest SOEs employed approximately 275,000 people and contributed approximately 46 per cent. of all Government revenue derived from SOEs in 2004. As of 30 June 2005, approximately 55.5 per cent. of SOEs were small businesses run by provincial governments while the remainder were operated by the Government. 19 per cent. of SOEs had charter capital below VND5.0 billion (approximately \$314,000), while the 25 largest SOEs had charter capital between VND500.0 billion (approximately \$31.4 million) and VND1.0 trillion (approximately \$62.8 million). Charter capital represents the paid-in equity capital of a SOE.

Many SOEs suffer from inefficiency, outdated technology, uncompetitive products, poor management and an inability to respond to market forces in a timely manner. The Government has instituted a reform programme for SOEs with the assistance of the World Bank and other foreign donors. Vietnam's National Steering Committee for SOE Reform is charged with directing all aspects of SOE reform and reports directly to the Prime Minister.

SOEs are primarily restructured through equitisation, which involves the issuance of new shares by an SOE or the sale by the Government of an equity stake in an SOE to employees and other investors. Equitised SOEs become joint stock companies subject to the Enterprise Law. Foreign investors may participate in equitisation, subject to a 49 per cent. cap on foreign ownership in regard to Listed Companies and 30 per cent. in regard to Unlisted Companies. Domestic investors are not subject to ownership limitations.

Since 1996, the Government has issued numerous regulations clarifying different aspects of the equitisation process. The power to approve equitisations has been transferred from the Prime Minister to provincial People's Committees and relevant Government ministers. The equitisation of certain large or significant SOEs in which Vietnam retains special voting rights, however, requires the Prime Minister's approval. Public notice period of 30 days is required prior to an equitisation. Share sales must be handled in a transparent manner by auction, and shares are often reserved for sale to employees at discounted prices. The proceeds of equitisation are used to invest in SOEs, pay for the expenses of equitisation and provide severance pay, social services and retraining to redundant workers. To improve the equitisation process, the Government has issued regulations for the disposition of SOE debts to banks, foreign lenders, the Government and employees.

In 2004, new legislation was passed to improve the transparency of the equitisation process and better protect investors ("Decree 187"). Under Decree 187, professional consultancy and appraisal companies must conduct an independent valuation to determine the appropriate amount of charter capital of an SOE prior to its equitisation. To date, the Ministry of Finance has licensed 58 companies to carry out this appraisal procedure. Decree 187 also provides for the maximum number of discounted shares that can be sold to the managers, employees and strategic investors (such as key customers and suppliers) of an SOE prior to the sale of shares to the public at auction.

While shares of 45 equitised SOEs trade on Vietnam's Securities Trading Centers in Hanoi and Ho Chi Minh City (the "Securities Trading Centers"), the State retains a controlling interest in many equitised SOEs. The Government plans to maintain 100 per cent. ownership of SOEs operating in strategic sectors in which the State maintains a monopoly (including national defense and security, toxic materials, explosives, radioactive materials, weapons and ammunition, power transmission, international and national information backbone networks, key transportation sectors and cigarettes). The Government also plans to retain 100 per cent. ownership of SOEs operating in certain key industries facing competition from the private sector, including oil and gas, mining, pharmaceuticals and rail transport. In addition, the Government plans to maintain more than 50 per cent. ownership of SOEs in certain other industries, including selected foodstuffs manufacturing, printing, product appraisal, labor cooperation services, and operation of fair and exhibition sites and in enterprises which have contributed at least VND2.0 billion (approximately \$126,000) annually to the State budget for the previous three consecutive years and have charter capital in excess of VND20.0 billion (approximately \$1.3 million). Although the Government may choose to maintain less than 50 per cent. ownership in SOEs operating in selected key industries, it may decide to retain shares with special voting rights in order to implement Government policy. In June 2005, the Prime Minister established the State Capital Investment Corporation, a separate holding corporation that will own and manage the Government's shares in equitised SOEs.

Most of the SOEs that have been equitised since 1997 have been in the trading, services and manufacturing sectors. The Government believes that most equitised SOEs in the trading and services sectors are now profitable, while some equitised manufacturers continue to operate at a loss. The SOEs that have been equitised to date, except for Vinamilk that was equitised in January 2006, have mainly been small SOEs and therefore have not had a significant

impact on the capital structure, investment and position of the SOE sector in the national economy. The Government is developing plans to begin the equitisation of the large-scale general corporations and to expand the equitisation programme into additional sectors, including finance, banking, insurance, construction, telecommunications and airlines.

On average, the proportion of equity sold to outside investors as part of Vietnam's equitisation process amounted to 15.4 per cent. of the total equity in the equitised SOEs. The majority of the shares of equitised SOEs have been purchased by employees and strategic investors, both of whom enjoy substantial discounts from the auction price, leaving few shares to be sold to outside investors. Under Decree 187, which came into effect in early 2005, an equitizing SOE must offer shares equivalent to at least 20 per cent. of its charter capital to outside investors through public auction. The Government expects greater participation by both foreign and domestic investors as the larger SOEs begin to be equitised.

The Government has made commitments to multilateral lenders regarding the pace of SOE reform. In line with these commitments, the Government has conducted independent audits of over one hundred of the most significant SOEs, imposed stricter supervision of SOEs with high levels of debt, and allocated additional resources and capital to the reform programme. Government plans call for the restructuring of approximately 1,700 SOEs through equitisation, sale, liquidation or bankruptcy between 2005 and 2007.

## **OVERVIEW OF THE VIETNAM STOCK EXCHANGE**

Vietnam has been developing its capital markets since 1991, when the Government began issuing Treasury securities. In 1996, the Government established the State Securities Commission to regulate the development of national stock exchanges, promulgate securities regulations and license brokers and fund managers. The main Securities Trading Center in Ho Chi Minh City, which has been operating since July 2000, was recently joined by the Securities Trading Center in Hanoi which opened in March 2005 in order to provide a market for the securities of smaller companies. As of March 2006, there were 334 bonds, 45 companies and one fund listed on these exchanges, with 35 companies listed in Ho Chi Minh City and 10 companies in Hanoi, providing a combined market capitalization of approximately \$1.5 billion. The combined average trading volume per session on the Securities Trading Centers was approximately VND90 billion (approximately \$5.7 million) in 2004 and VND77.8 billion (approximately \$4.9 million) in the first six months of 2005. In 2004, the Stock Index of the Securities Trading Centers rose by 40.5 per cent. On 31 March 2006, the Stock Index for the Securities Trading Center in Ho Chi Minh City closed at 503.56 points, a 63.76 per cent. increase since 30 December 2005.

Trading on the Securities Trading Centers is subject to various restrictions. Price changes are subject to daily limits of five per cent. in either direction. Foreign investors who wish to purchase shares through the Securities Trading Centers must register through a custodian licensed to hold securities on behalf of foreigners. In the past, foreign ownership of stocks of listed companies was limited to 20 per cent. and foreign ownership of a listed bond was limited to 40 per cent. In July 2003, the Government raised the total ownership limit for stocks to 30 per cent. and removed all limits on foreign ownership of bonds. On 29 September 2005, the Government raised the limit on foreign ownership of listed stocks from 30 per cent. to 49 per cent., with effect as of 23 October 2005. In addition, with respect to shares of a listed joint stock bank, a single foreign investor is only allowed to hold a maximum of ten per cent. of the issued share capital of the bank. No domestic investment fund may hold more than 15 per cent. of any listed company, and no domestic investment fund may invest more than 20 per cent. of its total fund value in a particular company. No domestic investment fund management company may use the assets of multiple funds under its management to purchase more than an aggregate of 49 per cent. shareholding in any listed company. The Government has announced that it plans gradually to further reduce shareholding restrictions as Vietnam's securities market matures.

The Government is actively developing and liberalizing the capital markets in order to help promote the growth of the private sector and encourage foreign investment. The Government encourages companies to list by offering temporary tax incentives for domestic securities and fund management companies and a 50 per cent. reduction in corporate income tax for two years for companies that list on the Securities Trading Centers. In addition, the Government grants a personal income tax exemption for realized capital gains. FIEs are now eligible to list on the Securities Trading Centers, provided that they first convert from limited liability companies to joint stock companies. The Government has stated that it intends to further expand listing eligibility requirements and provide additional incentives for companies to list on the Securities Trading Centers.

In June 2005, the Prime Minister issued a decision identifying 178 equitised SOEs in which the Government holds a controlling share which will be listed on the Securities Trading Centers and identifying an additional 75 SOEs

in which the shares were to be auctioned to the public on the OTC Market, including several important businesses in Vietnam's economy such as Vietnam Ocean Shipping Agency, Petrolimex, Mobifone and the Pha Lai power plant.

The first law on securities is currently being drafted and is planned to be submitted to the National Assembly for enactment in 2006. The law is intended to address existing legal provisions that were believed to be hindering the development of the securities market in Vietnam.

**PART 5**

**FINANCIAL INFORMATION**

**I. ACCOUNTANTS' REPORT ON THE UNAUDITED HISTORICAL FINANCIAL INFORMATION OF VIETNAM HOLDING LIMITED**

The Directors  
VietNam Holding Limited  
Fourth Floor  
Zephyr House  
122 Mary Street  
P.O. Box 709GT  
Grand Cayman  
Cayman Islands

**Grant Thornton** 

6 June 2006

Dear Sirs,

**VietNam Holding Limited (“the Company”)**

**INTRODUCTION**

We report on the unaudited financial information set out in Section II in Part 5 of the AIM admission document dated 6 June 2006 of VietNam Holding Limited (the “Admission Document”). This financial information has been prepared for inclusion in the Admission Document. This report is required by Schedule Two of the AIM Rules with reference to Annex 1, section 20 of the PD Regulation attached to the AIM Rules and is given for the purpose of complying with that schedule and for no other purpose.

**RESPONSIBILITIES**

The Directors of VietNam Holding Limited are responsible for preparing the financial information presented in the Admission Document. It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

**BASIS OF OPINION**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

**OPINION**

In our opinion, the financial information gives, for the purposes of Admission Document dated 6 June 2006, a true and fair view of the state of affairs of VietNam Holding Limited as at 30 April 2006. It does not comprise a full set of financial statements.

**DECLARATION**

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

**GRANT THORNTON UK LLP**  
**GATWICK, UK**

## **II. UNAUDITED HISTORICAL FINANCIAL INFORMATION ON VIETNAM HOLDING LIMITED**

The Directors have prepared the following financial information on VietNam Holding Limited for the period from incorporation on 20 April 2006 to 30 April 2006. The financial information on VietNam Holding Limited, which has been prepared solely for the purposes of this document, does not constitute audited statutory accounts within the meaning of section 240 of the Companies Act 1985.

The Company was incorporated on 20 April 2006 in the Cayman Islands with an authorised share capital of 100,000,000 Ordinary Shares of \$1.00 each. It has not traded between incorporation and 30 April 2006. The Company has not prepared any financial statements for presentation to its shareholders or declared or paid a dividend. As at 30 April 2006, the Company has an authorised share capital of \$100,000,000 comprising 100,000,000 Ordinary Shares of \$1.00 each. The Company has issued one Ordinary Share of \$1.00 at \$1.00 for cash.

## PART 6

### TAXATION

#### GENERAL

The comments below are of a general and non-exhaustive nature based on the Directors' understanding of the current revenue law and practice in Vietnam, United Kingdom and the Cayman Islands, which is subject to change. The following summary does not therefore constitute legal or tax advice and applies only to persons who are both legal and beneficial owners of Ordinary Shares and who hold their Ordinary Shares as an investment (other than under a personal equity plan or individual savings account). The following summary does not apply to persons such as market makers, brokers, dealers, pension funds, insurance companies, collective investment schemes, intermediaries and persons connected with depository arrangements or clearance services, to whom special rules may apply.

An investment in the Company involves a number of complex tax considerations. Changes in tax legislation in any of the countries in which the Company will have investments or in the Cayman Islands (or in any other country in which a subsidiary of the Company through which investments are made, is located), changes in the tax legislation of any country in which an investor is resident or domiciled or is a national of, or changes in tax treaties negotiated by those countries, could adversely affect the returns from the Company to investors.

**Prospective investors should consult their professional advisors on the potential tax consequences of subscribing for, purchasing, holding, selling or otherwise disposing of Ordinary Shares under the laws of their country and/or state of citizenship, domicile or residence.**

#### CAYMAN ISLANDS

The government of the Cayman Islands, will not, under existing legislation, impose any income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax upon the Company or the Shareholders. The Cayman Islands are not party to any double taxation treaties. The Company has applied for and has received an undertaking from the Governor-in-Cabinet of the Cayman Islands that, in accordance with section 6 of the Tax Concessions Law (1999 Revision) of the Cayman Islands, for a period of 20 years from the date of the undertaking, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable (i) on the shares, debentures or other obligations of the Company or (ii) by way of the withholding in whole or in part of a payment of dividend or other distribution of income or capital by the Company to its members or a payment of principal or interest or other sums due under a debenture or other obligation of the Company. Currently no stamp duty will be levied in the Cayman Islands on the issue or transfer of the Ordinary Shares. The only government charge currently payable by the Company in the Cayman Islands is an annual charge to be calculated on the nominal value of the authorised share capital of the Company. At current rates, this will not exceed \$2,400 in any one year.

#### VIETNAM

##### **The Company**

As a foreign legal entity without a permanent establishment in Vietnam, the Company will not be liable for Vietnamese taxes on its income derived outside Vietnam or capital gains derived from the sale or other disposal of its non-Vietnamese investments.

##### **Investee Companies – corporate income tax**

As from 1 January 2004, under the new Law on Corporate Income Tax, Vietnamese corporate income tax rates were adjusted to a “standard” rate of 28 per cent. (subject to the possibility of various lower incentive rates depending on the category into which an enterprise falls or the investment location) for both foreign-invested companies and domestic Vietnamese companies.

##### **Investee Companies – profit remittance tax**

As from 1 January 2004, the new Law on Corporate Income Tax repealed the profit remittance tax applicable to foreign investors in foreign-invested companies and in domestic companies.

### **Capital gains/capital assignment profit tax**

Vietnam currently does not have clear regulations on capital gains tax. The capital gains tax depends on the status of the seller and the entity in which interests are being sold, as described below.

With regard to Vietnamese business entities deriving income from the assignment of capital contributed or share capital invested in other enterprises, they shall be subject to corporate income tax imposed on income derived from the assignment of contributed capital and share capital at the applicable corporate tax rate of its main business activities. This means that income derived by Vietnamese business entities in relation to the assignment of contributed capital or share capital shall be included into their taxable income and subject to their applicable corporate income tax rate.

The current taxation rules differentiate between gains made from the sale of interests in entities licensed under the Law on Foreign Investment, and entities licensed under the Law on Enterprises or trading in other securities such as bonds.

**Law on Foreign Investment:** If foreign investors or foreign parties to the business cooperation contracts assign their contributed capital or share capital of a foreign invested enterprise or of a business cooperation contract to other investors, any gains derived from the above assignment shall be subject to a corporate income tax rate of 28 per cent. A deduction is allowed for transaction expenses.

**Law on Enterprises and trading in other securities such as bonds:** If a foreign investor or a foreign investment fund only having bank accounts in Vietnam and not having a physical presence in Vietnam invests in securities, they shall be subject to Vietnamese corporate income tax under the deemed taxation method. The tax payable is determined at 0.1 per cent. of the total value of the shares sold and assigned in each assignment transaction. No allowance or deduction is permitted for holding or transaction expenses.

A revised corporate law regime will apply in Vietnam from 1 July 2006, with transitional measures applying to existing entities. Both the Investment Law and the Enterprise Law will come into effect on 1 July 2006 and are intended to apply to all investors and all forms of business, regardless of ownership or corporate structure. As implementing regulations have yet to be released, it is unknown how the two tax regimes described above and applying to investments made under the current laws will be taxed.

### **Taxes on dividends**

Both corporate income tax regulations and tax regulations on trading securities (i.e. Circular 100) have confirmed that dividends (or distributions of profit after tax) of an entity in Vietnam paid to other Vietnamese entities holding shares in the first company, or directly to foreign investors shall not be subject to withholding tax.

Dividends received by both local and foreign individuals are currently not subject to income tax.

## **UNITED KINGDOM**

### **The Company**

The Board intends to conduct the business and affairs of the Company so that, for United Kingdom corporation tax purposes, it will not be regarded as resident within the United Kingdom nor as carrying on a trade through a permanent establishment located in the United Kingdom. On that basis and on the assumption that it has no United Kingdom source income the Company will have no liability in respect of United Kingdom corporation tax on its income or capital gains.

### **United Kingdom Resident Investors**

Shareholders who are resident in the United Kingdom may be liable to United Kingdom income tax or corporation tax in respect of dividend income received from the Company and to United Kingdom capital gains tax or corporation tax on chargeable gains in respect of capital gains realised on a disposal of Ordinary Shares.

#### *(a) Taxation of dividends*

A distribution by the Company with respect to the Ordinary Shares in the form of a dividend may give rise to income chargeable in the United Kingdom to either income tax or corporation tax on income. In the case of a dividend, individuals domiciled and ordinarily resident for tax purposes in the United Kingdom who are liable to income tax at the starting or basic rate will be taxed at the ordinary rate (10 per cent.) under Schedule D Case V of the Income and Corporation Taxes Act 1988 (the "UK Taxes Act"). An individual who is a higher rate tax payer will be chargeable to tax at the upper rate (32.5 per cent.) under Schedule D Case V of the UK Taxes Act. Non-taxpayers will have no liability to income tax. United

Kingdom resident corporate shareholders will normally be liable for corporation tax on any dividends paid by the Company.

*(b) Taxation of capital gains*

The Board does not consider that the Company will be a collective investment scheme for the purposes of the United Kingdom offshore funds legislation. Accordingly, any gain realised by a United Kingdom resident holder of Ordinary Shares or a holder of Ordinary Shares who carries on a trade in the United Kingdom through a permanent establishment with which their investment in the Company is connected on a sale or other disposal (including from liquidation or dissolution of the Company) of their Ordinary Shares may, depending on their circumstances and subject as mentioned below, be subject to United Kingdom capital gains tax or corporation tax on chargeable gains. The amount of the gain will be the difference between the acquisition cost of the Ordinary Shares and the disposal proceeds.

On a disposal of Ordinary Shares by an individual investor who is resident or ordinarily resident in the United Kingdom for tax purposes, the Ordinary Shares may attract taper relief which reduces the amount of chargeable gain according to how long, measured in years, the Ordinary Shares have been held. An investor which is a body corporate resident in the United Kingdom for tax purposes will benefit from indexation allowance which, in general terms, increases the capital gains tax base cost of an asset in accordance with the rise in the Retail Prices Index.

**Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)**

No United Kingdom stamp duty or SDRT will arise on the issue of Ordinary Shares. Generally, no United Kingdom stamp duty or SDRT is payable on a transfer of or agreement to transfer Ordinary Shares executed outside of the United Kingdom.

**Section 739 Taxes Act 1988**

Individual investors ordinarily resident in the United Kingdom for tax purposes should note that Chapter III (sections 739 and 740) of Part XVII of the UK Taxes Act may render them liable to income tax in respect of undistributed income or profits of the Company. These provisions are aimed at preventing the avoidance of income tax by individuals through a transaction resulting in the transfer of assets or income to persons (including companies) resident or domiciled abroad. However, these provisions will not apply if the investor can satisfy the Inland Revenue that either:

- (1) the purpose of avoiding liability to United Kingdom taxation was not the purpose or one of the purposes of his investment in the Company; or
- (2) the investment was a bona fide commercial transaction and was not designed for the purpose of avoiding United Kingdom taxation.

**Controlled Foreign Companies Legislation**

The attention of companies resident in the United Kingdom is drawn to the fact that the “controlled foreign companies” provisions contained in sections 747 to 756 of the UK Taxes Act could be material to any company so resident that has an interest in the Company such that 25 per cent. or more of the Company’s profits for an accounting period could be apportioned to them, if at the same time the Company is controlled by companies or other persons who are resident in the United Kingdom for taxation purposes. The effect of such provisions could be to render such companies liable to United Kingdom corporation tax in respect of their share of the undistributed income and profits of the Company.

**Section 13 Taxation of Chargeable Gains Act 1992 (“TCGA”)**

The attention of United Kingdom investors resident or ordinarily resident and, if an individual, domiciled in the United Kingdom is drawn to the provisions of section 13 TCGA under which, in certain circumstances, a portion of capital gains made by the Company can be attributed to an investor who holds, alone or together with associated persons, more than 10 per cent. of the Ordinary Shares. The capital gains attributed to the investor may (in certain circumstances) be liable to United Kingdom tax on capital gains in the hands of the investor.

**Other Jurisdictions**

Prospective purchasers of Ordinary Shares that are resident or domiciled in, or nationals of jurisdictions other than Vietnam or the United Kingdom should consult their own professional tax advisors as to the tax consequences of the purchase, ownership and disposition of Ordinary Shares. **Any person who is in any doubt as to his tax position should consult his professional advisors.**

## PART 7

### ADDITIONAL INFORMATION

#### 1. RESPONSIBILITY

The Directors, whose names and business address appear on page 7 of this document, accept responsibility for all the information contained in this document including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. THE COMPANY

- 2.1 The Company was incorporated with limited liability and registered in the Cayman Islands as an exempted company under the Companies Law on 20 April 2006.
- 2.2 The Company operates under the Companies Law and regulations made thereunder.
- 2.3 The Company's main activity is that of an investment company. As a closed-end investment company, the Company is not regulated as a mutual fund in the Cayman Islands and is not otherwise subject to regulatory review in its place of incorporation. As a company whose Ordinary Shares are admitted to trading on AIM, the Company will be subject to the AIM Rules.
- 2.4 The registered office of the Company is at Fourth Floor, Zephyr House, 122 Mary Street, PO Box 709 GT, Grand Cayman, Cayman Islands (Telephone No.+(345) 949 4544).
- 2.5 The liability of the Shareholders of the Company is limited.
- 2.6 Save for its entry into the material contracts summarized in paragraph 7 of this Part 7, since its incorporation, the Company has not commenced business, has no loan capital (including term loans) outstanding or created but unissued, nor any outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowing, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase commitments, guarantees or other contingent liabilities, and no dividends have been declared and other than the financial information set out in this document, no accounts of the Company have been made up.

#### 3. SHARE CAPITAL

- 3.1 The authorised share capital and issued share capital of the Company (i) as at the date of this document and (ii) as it will be immediately following Admission (assuming all the Ordinary Shares available to be placed in the Placing are placed) is set out below:

Authorised No. of Ordinary Shares	\$ nominal	Issued No. of Ordinary Shares	\$ nominal
(i) 100,000,000	\$100,000,000	1	\$1.00
(ii) 100,000,000	\$100,000,000	up to 57,500,000	up to \$57,500,000

- 3.2 The Ordinary Shares have been created pursuant to the Companies Law. The Company was incorporated with an authorised share capital of \$100,000,000 divided into 100,000,000 Ordinary Shares of \$1.00 each. The one Ordinary Share in issue was transferred to the Investment Manager on 28 April 2006.
- 3.3 On 6 June 2006, the Board resolved that up to 57,500,000 Ordinary Shares would be allotted at a placing price of \$2.00 per Ordinary Share at, but conditional upon, Admission.
- 3.4 The Ordinary Shares' ISIN number is KYG9361X1043.
- 3.5 Save as referred to in paragraph 3.2 and 3.3 above, since the date of its incorporation no share or loan capital of the Company has been issued or agreed to be issued, or is now proposed to be issued, for cash or any other consideration and save as referred to in paragraphs 7.3 and 7.4 below, no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any such capital.
- 3.6 No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.

- 3.7 Save as disclosed in this Part 7, the Company does not have in issue any securities not representing the share capital and there are no outstanding convertible securities issued by the Company.
- 3.8 Any unallotted Ordinary Shares will remain authorised but unissued.
- 3.9 Immediately following Admission, the Company will purchase the initial Ordinary Share from the Investment Manager for \$1.00.
- 3.10 Save as disclosed in this Part 7:
  - 3.10.1 there are no arrangements in force involving the employees in the capital of the Company;
  - 3.10.2 no fee and no founder, management or deferred shares have been issued by the Company;
  - 3.10.3 no amount or benefit has been paid or is to be paid or given to any promoter of the Company; and
  - 3.10.4 there are no acquisition rights and/or obligations over authorised but unissued share capital of the Company and the Company had not given an undertaking to increase its share capital.
- 3.11 Otherwise than pursuant to the Placing, none of the Ordinary Shares have been sold or are available in whole or in part to the public in conjunction with the application for the Placing Shares to be admitted to AIM.
- 3.12 As at the date of this document, none of the Directors nor members of their families (as such expression is defined in the AIM Rules) holds a financial product whose value in whole or in part is determined directly or indirectly by reference to the price of Ordinary Shares.
- 3.13 The Placing Shares in issue following Admission, will rank *pari passu* in all respects with the existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after Admission on the share capital.
- 3.14 No shares in the Company are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.
- 3.15 No Ordinary Shares are held by or on behalf of the Company. There are no arrangements known to the Company the operation of which may at a subsequent date result in a change of control of the Company.
- 3.16 The allotment of the Placing Shares is conditional upon Admission and therefore the Placing Shares will be issued with effect from Admission.
- 3.17 Save as summarised in this Part 7, there are no restrictions on the free transferability of the Placing Shares.
- 3.18 There have been no public takeover bids by third parties in respect of the Ordinary Shares since incorporation.
- 3.19 There are no mandatory takeover bids in existence in relation to the share capital of the Company and there are no squeeze-out and sell-out rules in relation to the Ordinary Shares.
- 3.20 The allotment and issue of the Placing Shares will result in a dilution of 100 per cent. to the holders of the Ordinary Shares at the date of this document.
- 3.21 The Placing Shares will be denominated in US\$.

#### **4. CONSTITUTIONAL DOCUMENTS AND OTHER RELEVANT LAWS AND REGULATIONS**

##### **4.1 Memorandum of Association**

The Memorandum of Association of the Company provides that the objects of the Company are unrestricted and the Company shall have full power to carry out any object not prohibited or limited by the Companies Law. The Companies Law does not prohibit the Company from acting as an investment company.

##### **4.2 Articles of Association**

The Articles of Association of the Company contain provisions, inter alia, to the following effect:

###### **4.2.1 Voting Rights**

At a general meeting on a show of hands every shareholder of record present in person (or in the case of a corporation by its duly authorised representative) shall have one vote and on a poll every

shareholder of record present in person (or by its representative as aforesaid) or by proxy shall have one vote for each Ordinary Share registered in his name in the register of shareholders.

#### 4.2.2 *Dividends*

The Board may from time to time declare any such dividends to the holders of Ordinary Shares as appear to the Board to be appropriate, save that no dividend may be declared or paid other than from funds lawfully available for distribution. All dividends will be declared and paid according to the amounts paid up on the Ordinary Shares.

#### 4.2.3 *Winding-up*

If the Company is wound up the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the applicable law, divide amongst the Shareholders in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders. The liquidator may with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no Shareholder shall be compelled to accept any assets, shares or other securities whereon there is any liability.

#### 4.2.4 *Transfers of Shares; Compulsory Transfer and Restrictions on Transfer*

- (i) Shares may be transferred by a form of transfer in any usual or common form or in any other form which the Board may approve, which form shall be signed by the transferor and, if so requested by the Directors, the transferee, and the transferor is deemed to remain the holder of a share until the name of the transferee is entered in the register in respect of that share. The Board is not required to register transfers of shares which do not comply with certain formalities.
- (ii) The Directors have the power to impose such restrictions (including restrictions on transfers) as they may think necessary for the purpose of ensuring that no shares in the Company are acquired or held by any unauthorised persons, or in breach of the requirements of any country or governmental authority. In particular, without the specific consent of the Board, shares may not be transferred to U.S. Persons which may result in more than ten per cent. of the Company's issued share capital being held at any one time by a single U.S. Person unless the Board otherwise agrees.
- (iii) The Board may at its discretion give its consent generally to certain categories of offers, sales or transfers of shares to specific categories of persons and may impose as a condition of such consents the receipt of certifications from the purchasers or subscribers or transferors or transferees (or any of them) as to their status, and in particular as to whether they are a U.S. Person.
- (iv) The Board may upon a transfer of shares or at any other time or from time to time require such evidence to be furnished to it in this connection as it, in its discretion, deems sufficient, and in default of such evidence being furnished to its satisfaction, the Board may require the transfer of such shares to a person who is qualified or entitled to own the shares and would not, if the shares were transferred to him, be a "Non Qualifying Person" (as set out in paragraph (v) below).
- (v) The Company has the right to require by notice the transfer of shares held directly or indirectly or beneficially by any person in breach of any law or requirement of any country or governmental authority (a "Non Qualifying Person") such that, in the opinion of the Board, the tax status or residence of the Company is or may be prejudiced, or the Company may suffer any pecuniary or other disadvantage (including any excise tax, penalties or liabilities under ERISA), or the Company would be required to comply with any registration, filing or other material administrative requirements in any jurisdiction, with which it would not otherwise be required to comply, or may result in the assets of the Company being deemed to be "plan assets" for the purposes of ERISA, or may require the registration of the Company as an "investment company" under the United States Investment Company Act

1940 (the “Investment Company Act”), or any other material administrative or other disadvantage to the Company or its Shareholders may ensue. The Board may direct the Non Qualifying Person to transfer his shares to a person who is qualified to hold them and would not by reason of a transfer become non qualifying. Until such transfer is effected, the holder of such shares will not be entitled to any rights or privileges attaching to such shares. If the required transfer is not effected within 30 days after service of a notice to do so and the person directed to transfer his shares has not established to the satisfaction of the Board (whose judgement shall be final and binding) that he is not a Non Qualifying Person, the shares concerned may be compulsorily redeemed or sold by the Company on behalf of the holder of such shares. The redemption or sale price will be the Net Asset Value per share as at the Valuation Day last preceding the date of transfer or redemption (as the case may be).

- (vi) In order to give effect to the foregoing restrictions, the Company may, at any time, require certification or other evidence from any transferee of Shares as to whether such transferee is or is not (or is or is not acquiring the shares for the account or benefit of) (a) a U.S. Person, or (b) a person holding or beneficially owning shares (or other securities of the Company) comprising ten per cent or more of the outstanding voting securities of the Company in circumstances where the beneficial ownership of such shares or securities could be attributed to the holders of that person’s outstanding securities under the provisions of Section 3(c)(1)(A) of the Investment Company Act, or (c) acquiring the shares with a view to offering or selling such shares within the United States or to U.S. Persons.
- (vii) A person who, by reason of any restriction is not qualified to acquire or ceases to be qualified to hold all or any of his shares or who becomes aware that he is holding or owning shares in breach of any law of any country or governmental authority or by virtue of any such law he is not qualified to hold such shares, or that such holding will, or is likely to, cause a pecuniary, tax, legal, regulatory or material administrative disadvantage to the Company or to any Shareholder, must transfer such shares to a person who is not prohibited or otherwise disqualified from holding such shares.
- (viii) The Company may at any time and from time to time call upon any holder of shares to provide such information and evidence as it shall require upon any matter connected with, or in relation to, such holder of shares. If such information and evidence is not provided within fourteen days, the Company may treat such person as a Non Qualifying Person and apply the transfer provisions applicable to a Non Qualifying Person.

#### 4.2.5 *Redemption of Shares*

- (i) Subject to relevant provisions of Cayman Islands’ law and the Articles, the Company may from time to time by not less than 30 calendar days’ notice to the Shareholders redeem all or any portion of the Shares held by the Shareholders at the redemption price denominated in US dollars and calculated in accordance with paragraph (ii) below (the “Redemption Price”) from any funds legally available therefore, including from capital, on, *inter alia*, the following terms:
  - (A) on any redemption the Company will have the power to divide in kind the whole or any part of the assets of the Company and appropriate such assets in satisfaction or part satisfaction of the Redemption Price;
  - (B) the redemption of shares will be made in the Company’s absolute discretion, and shall apply to all holders of shares pro rata to the number of shares comprised in their shareholdings;
  - (C) upon redemption, each holder of shares who has been issued a share certificate will lodge with the Company or its authorised agent a duly endorsed certificate for the shares to be redeemed and subject to sub-paragraph (E) below no payment of redemption proceeds will be made until such duly endorsed certificate has been received;
  - (D) on redemption of part only of the shares comprised in a certificate (if any has been issued) the Company will procure that a balance certificate in respect of the shares not redeemed will be sent free of charge to the relevant holder or as that holder shall direct;

- (E) the Company may at its option dispense with the production of any certificate which has been lost or destroyed upon compliance by the holder of shares with the same requirements as apply in the case of an application by him for replacement of a lost or destroyed certificate under the Articles; and
  - (F) any amount payable to a holder of shares in connection with the redemption of his shares will be paid in US dollars and will be posted at the holder's risk by or on behalf of the Company to the holder not later than 30 calendar days after the effective date of the redemption, provided that the Company may delay payment of redemption proceeds beyond such period if settlement of sales or other realisation of securities on any stock market is delayed or suspended, or any necessary conversion or transfer of funds is delayed for any reason beyond the control of the Company. Alternatively, redemption proceeds may be paid by distribution in kind of all or part of a Shareholder's pro-rata portion of a portfolio investment made by the Company, where the Shareholder so elects and the Company consider this to be feasible. Any such distribution in kind shall be on terms determined by the Company.
- (ii) The Redemption Price for each share redeemed pursuant to (i) above is calculated by:
- (A) ascertaining the value of the net assets of the Company in US dollar for this purpose under the Articles (summarised on page 35 under the heading "Valuation Policy and Reporting") as at the most recent Valuation Day;
  - (B) deducting therefrom such sum as the Company in its absolute discretion may consider represents an appropriate allowance for duties and charges in relation to the realisation of all the investments held by the Company on the relevant Valuation Day on the assumption that such investments had been realised on that Valuation Day;
  - (C) adjusting the net asset value determined under paragraphs (A) and (B) above to reflect the actual cost of converting any amount if necessary into US dollars at such rate of exchange as the Company may in its absolute determination consider appropriate in all the circumstances at any time prior to payment of the Redemption Price. The certificate of the Company as to the conversion rate applicable (which may take account of the costs of conversion) will, in the absence of manifest error, be conclusive and binding on all persons;
  - (D) dividing the amount so calculated by the number of shares then in issue; and
  - (E) adjusting the resulting sum downwards to the nearest whole cent (the amount necessary to effect such downward adjustment being payable to the Company for its absolute use and benefit).
- (iii) Holders of shares have no right to require their shares to be redeemed by the Company.

#### 4.2.6 *Purchase of Shares*

Subject to the provisions of the Companies Law, the Company may purchase its own shares at a price equal to the last published Net Asset Value per Share or a such price and in such manner as may be authorised by Ordinary Resolution.

#### 4.2.7 *Alteration of Share Capital*

- (i) The Company may by Ordinary Resolution (unless an amendment to the Memorandum is required, in which case a Special Resolution will be required) increase its share capital, consolidate or divide all or any of its share capital into shares of a larger amount, cancel any shares not taken by any person, sub-divide its shares or any of them into shares of a smaller amount or divide its shares into different classes with different rights, including as to dividends, distributions or voting.
- (ii) Subject to the provisions of the laws of the Cayman Islands, the Company may by Special Resolution reduce its share capital, any capital redemption reserve fund or any share premium account.

#### 4.2.8 *Variation of Rights*

If at any time the capital of the Company is divided into different classes of shares, all or any of the rights for the time being attached to any class of shares for the time being issued (unless otherwise provided by the terms of the issue of the shares of that class) may, subject to the provisions of the Companies Law, be varied or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of such shares.

#### 4.2.9 *General Meetings*

- (i) The Company shall in each year hold a general meeting as its Annual General Meeting in addition to any other general meeting in that year and shall specify the meeting as such in the notices calling it. The Annual General Meeting shall be held at such time and place as the Board shall appoint. Not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. All general meetings other than Annual General Meetings shall be called extraordinary general meetings.
- (ii) The Board may whenever it thinks fit, and it shall on the requisition of Shareholders pursuant to the provisions of the Companies Law, proceed to convene a general meeting of the Company in accordance with the requirements of the Companies Law.
- (iii) At least 21 days' notice in writing shall be given of an Annual General Meeting and, subject to the provisions of the Companies Law relating to special resolutions, seven days' notice in writing or such longer period as the Board shall determine shall be given of any extraordinary general meeting. Every notice shall (i) be exclusive of the day on which it is served or deemed to be served but inclusive of the day on which it is given, and (ii) specify the time, place and agenda of the meeting and in the case of special business, the general nature of that business and particulars of the resolutions to be considered thereat and (iii) be given in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company provided that a general meeting of the Company shall be deemed to have been duly convened if it is so agreed:
  - (a) in the case of a general meeting called as an Annual General Meeting by all the Shareholders entitled to attend and vote thereat or their proxies; and
  - (b) in the case of an extraordinary general meeting by a majority in number of the Shareholders having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right.
- (iv) No business shall be transacted at any general meeting unless a quorum of Shareholders is present at the time when the meeting proceeds to business; two (2) Shareholders present in person or by proxy and entitled to attend and vote shall be a quorum provided always that (a) if the Company has only one Shareholder of record the quorum shall be that one (1) Shareholder present in person or by proxy and (b) no Special Resolution shall be passed at any meeting unless Shareholders holding or representing not less than 25 per cent. of the issued shares entitled to attend and vote (or any class thereof) are present in person or by proxy. The absence of a quorum shall not preclude the appointment, choice or election of a chairperson which shall not be treated as part of the business of the meeting.
- (v) If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Shareholders, shall be dissolved and in any other case it shall stand adjourned to the same day in the next week at the same time and place or to such other time or such other place as the Board may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the Shareholders present shall be a quorum.
- (vi) The Chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company, or if there is not such Chairperson, or if he or she shall not be present within fifteen minutes after the time appointed for the holding of the meeting, or is unwilling to act, the Directors present shall elect one of their number to be Chairperson of the meeting.

- (vii) If at any general meeting no Director is willing to act as Chairperson or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the Shareholders present shall choose one of their number to be Chairperson of the meeting.
- (viii) The Chairperson may, with the consent of any general meeting duly constituted hereunder, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a general meeting is adjourned for three months or more, notice of the adjourned meeting shall be given as in the case of an original meeting; save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned general meeting.
- (ix) At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless, (before or on the declaration of the result of the show of hands, or on the withdrawal of any other demand for a poll), a poll is duly demanded. A poll may be demanded by:
  - (a) the chairperson of the meeting; or
  - (b) at least three Shareholders present in person or by proxy and entitled to vote; or
  - (c) any Shareholder or Shareholders present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all Shareholders having the right to attend and vote at the meeting; or
  - (d) any Shareholder or Shareholders present in person or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.
- (x) Unless a poll be so demanded a declaration by the Chairperson that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Company's minute book containing the minutes of the proceedings of the meeting shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- (xi) In the case of an equality of votes, whether on a show of hand or on a poll, the Chairperson of the general meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.

#### 4.2.10 *Directors*

- (i) The number of Directors may not be less than two or exceed seven and they are appointed as follows:
  - (A) Four Directors have been appointed by the initial Shareholder. These Directors shall serve in office until the next occurring annual general meeting of the Company. Each of the Directors may submit himself or herself for re-election at the next occurring annual general meeting of the Company. The re-elected Director or his or her replacement will hold office until the next annual general meeting of the Company. If a Director resigns prior to any annual general meeting, the remaining Directors may appoint a replacement to serve until the next annual general meeting.
  - (B) The Board shall be entitled to appoint and remove two additional independent, non-executive Directors on the recommendation of two Shareholders who hold large numbers of shares, as determined by the Board.
- (ii) All Directors shall have the same right to vote at meetings of the Board. Questions arising at any meeting will be decided by a majority of votes of the Directors present at a meeting at which there is a quorum. In case of an equality of votes, the Chairperson shall have a second or casting vote.
- (iii) There is no shareholding qualification for Directors. Nor is there any requirement that a Director retire at any particular age unless otherwise required by applicable law.

- (iv) The quorum necessary for the transaction of the business of the Board may be fixed by the Board and unless so fixed shall be three. An alternate Director or proxy appointed by a Director shall be counted in a quorum at a meeting at which the Director appointing him is not present.
- (v) The remuneration of each Director is determined by the Board, subject to an initial maximum aggregate amount of \$250,000 per annum being paid to the members of the Board as a whole, and such limit may only be increased by Ordinary Resolution. The Directors may also be paid all reasonable travelling, hotel and other expenses properly incurred by them in going to, attending and returning from meetings of the Board or any committee of the Board or general meetings of the Company or in connection with the performance of their duties as Directors.
- (vi) Save as otherwise provided by the Articles, a Director is not entitled to vote on (and he will not be counted in the quorum in relation to) any resolution of the Board in respect of any contract or arrangement in which he is to his knowledge materially interested and, if he does so, his vote will not be counted, but this prohibition does not apply to any of the following matters namely:
  - (1) the giving of any security or indemnity either:
    - (A) to the Director in respect of money lent or obligations incurred or undertaken by him at the request of or for the benefit of the Company or any of its subsidiaries; or
    - (B) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director has himself assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
  - (2) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director is or is to be interested as a participant in the underwriting or sub-underwriting of the offer;
  - (3) any proposal concerning any other company in which the Director is interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director is beneficially interested in shares of that company;
  - (4) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries, including:
    - (A) the adoption, modification or operation of any employees' share scheme or any incentive or share option scheme under which he may benefit; or
    - (B) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to directors and employees of the Company or any of its subsidiaries and does not provide in respect of any Director as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
  - (5) any contract or arrangement in which the Director is interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his interest in shares or debentures or other securities of the Company.
- (vii) The Company may by Ordinary Resolution (a) suspend or relax the restrictions in the Articles on Directors' interests, including those described above, to any extent or (b) ratify any transaction not duly authorised by reason of a contravention of the restrictions in the Articles on Directors' interests, including those described above.
- (viii) The Board may from time to time and by resolution delegate such of their powers as they consider appropriate to a committee consisting of some of the Directors.

- (ix) Each Director has the power to appoint any person to be his alternate Director.
- (x) Every Director and officer for the time being of the Company and their representatives, heirs, executors, administrators, personal representatives or successors or assigns shall, in the absence of fraud, negligence or wilful default, be indemnified and held harmless out of the assets and funds of the Company against all actions, proceedings, costs, charges, expenses, including travelling expenses, losses, damages or liabilities, which any such Director or officer may incur or for which he or she may become liable in respect of or by reason of any contract entered into or act or thing done by him or her as such officer or servant, or in any way in discharge of his or her duties and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the Shareholders over all other claims. No such Director or officer shall be liable or answerable (i) for the acts, receipts, neglects, defaults or omissions of any other Director or officer, or (ii) for joining in any receipt for money not received by him or her personally or other act for conformity, or (iii) for any loss on account of defect of title to any property of the Company, or (iv) on account of the insufficiency of any security in or upon which any of the assets of the Company shall be invested or for any loss of any of the assets of the Company which shall be invested, or (v) for any loss incurred through any bank, broker or other agent, or (vi) for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any assets, securities or effects shall be deposited, or (vii) for any loss occasioned by any negligence, default, breach of duty, breach of trust, error of judgement or oversight on his or her part, or (viii) for any loss, damage or misfortune whatsoever which may happen in or arise from the execution or discharge of the duties, powers, authorities, or discretions of his or her office or in relation thereto unless the same happens through his or her own fraud or wilful default.

#### 4.2.11 *Borrowing powers*

The Board may exercise all the powers of the Company to raise or borrow or to secure the payment of any sum or sums of money for the purposes of the Company and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party, provided that no borrowing may be incurred which would, if incurred, cause the aggregate amount of all moneys borrowed by the Company (including the amount of any loan capital and debentures) to exceed an amount representing 25 per cent. of the latest available Net Asset Value of the Company at the time of the borrowing unless the Shareholders in general meeting otherwise determine by Ordinary Resolution. All guarantees or indemnities that expose the Company to a contingent liability must be signed by a Director pursuant to a duly authorised resolution of the Board in order to be valid.

#### 4.2.12 *Issue of Shares*

Subject to the provisions of the Articles and to any direction that may be given by the Company in general meeting, the Board may allot, issue, grant options over or otherwise dispose of shares of the Company to such persons, at such times and for such consideration and on such terms and conditions as they think proper.

#### 4.2.13 *Pre-emption rights*

There is no provision of Cayman Islands law or the Articles which confer rights of pre-emption upon the issue or sale of any shares in the Company.

#### 4.2.14 *Corporate Governance*

There is no applicable regime of corporate governance to which directors of a Cayman Islands company must adhere over and above the general fiduciary duties and duties of care, diligence and skill imposed on such directors under Cayman Islands law. However, the Company has adopted a Code of Ethics and a Code of Dealing which applies to, among others, all Directors and executives of the Company.

#### 4.2.15 Disclosure Requirements

There are no provisions in the Articles or Cayman Islands law requiring the disclosure of shareholdings in the Company to the Company or otherwise.

### 5. DIRECTORS AND OTHER INTERESTS

5.1 As at the date of this document and immediately following Admission, none of the Directors will have any legal or beneficial interests in the Ordinary Shares.

5.2 Save as set out above in paragraphs 3.2 and 5.1, none of the Directors has any interests, beneficial or otherwise, in the share capital of the Company nor does (so far as is known to, or could with reasonable diligence be ascertained by, the Directors) any person connected with the Directors have any interests in such share capital, in each case whether or not held through another party.

5.3 In addition to their directorships of the Company, the Directors held or have held the following directorships, and are or were members of the following partnerships, within the past five years prior to the date of this document:

Name	Current directorships and partnerships	Former directorships and partnerships
Min Hwa Kupfer	None	GE Capital Finance (China) Co. Ltd. American National Bank
John Joseph Hoey	Tethys Oil AG Beneficial Capital Corp. Jaguar Acquisition Corporation	None
Professor Dr. Rolf Dubs	ARAG AG Hoffmann Neopac AG Integra Holding AG Institut Alpin Veritec AG Underberg AG Christian Fischbacher Co. AG	Schindler Holding AG Bank Julius Baer Siemens (Switzerland) St. Gallen Tagblatt
Nguyen Quoc Khanh	Lesco Resort JV Kim Long Pte Van Yen Ltd	Shell Vietnam Shell Gas Hai Phong JV

5.4 At the date of this document, none of the Directors of the Company:

- (i) has any unspent convictions in relation to indictable offences; or
- (ii) has been bankrupt or entered into an individual voluntary arrangement; or
- (iii) was a director of any company at the time of or within 12 months preceding any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with that company's creditors generally or with any class of its creditors; or
- (iv) has been a partner in a partnership at the time of or within 12 months preceding any compulsory liquidation, administration or partnership voluntary arrangement of such partnership; or
- (v) has had his or her assets the subject of any receivership or has been a partner of a partnership at the time of or within 12 months preceding any assets thereof being the subject of a receivership; or
- (vi) has been subject to any public criticism by any statutory or regulatory authority (including any recognised professional body) or has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of a company.

5.5 None of the Directors has or has had any interest direct or indirect in any transaction which is or was unusual in its nature or conditions or is or was significant to the business of the Company or which has been effected by the Company since its incorporation and remains in any respect outstanding or unperformed.

5.6 No loan or guarantee has been granted or provided by the Company to any Director.

- 5.7 Save as otherwise disclosed in this document, no Director has, or has had any interest, direct or indirect in any assets which have been acquired by, disposed of by, or leased by the Company or which are proposed to be acquired by, or lease to the Company.
- 5.8 Save as otherwise disclosed in this document, there are no outstanding loans or guarantees granted or provided by the Company to any Director or granted or provided by any Director to the Company.
- 5.9 The services of each of the Directors as non-executive directors are provided under the terms of letters of appointment between each of them and the Company subject to termination by the Company pursuant to the Articles or by the Director upon at least three months' written notice. The initial fee per annum for each Director is as follows: for each of Min Hwa Kupfer and John Hoey, \$36,000 per annum; and for Nguyen Quoc Khanh and Professor Dr. Rolf Dubs, \$28,000 per annum. The Directors will also be entitled to part of the performance bonus, details of which are set out in Part 2 of this document. The letters of appointment are governed by Cayman Islands law.
- 5.10 Save as set out in paragraph 5.9 above, there are no existing or proposed service agreements or letters of appointment in existence between any of the Directors and the Company providing for benefits upon termination of employment nor are they are consultancy agreements between the parties.
- 5.11 It is estimated that based upon arrangements in force as at the date of this document, the aggregate remuneration paid and benefits in kind to be paid to Directors for the financial year ending 30 June 2006 will be approximately \$11,000.
- 5.12 There are no arrangements under which any Director has waived or agreed to waive future emoluments.
- 5.13 The Company has directors and officers' liability insurance for the benefit of the Directors.

## **6. SHARE INTERESTS**

- 6.1 As at 6 June 2006 (the latest practicable date prior to publication of this document), the Company was not aware of any persons who, immediately following Admission, does or could, directly or indirectly, jointly or severally, exercise control over the Company and are not aware of any arrangements which may at a subsequent date result in a change of control of the Company.
- 6.2 As at the date of this document, the Directors are not aware of any person, directly or indirectly, jointly or severally, who exercises or could exercise control over the Company or who will be interested in three per cent. or more of the issued share capital of the Company.
- 6.3 None of the Company's major Shareholders have different voting rights.

## **7. MATERIAL CONTRACTS**

The following contracts, not being entered into in the ordinary course of business, have been entered into by the Company since incorporation and are, or may be, material:

- 7.1 An engagement letter dated 19 April 2006 between quondam aquila partners ag and Grant Thornton Corporate Finance, as novated by the novation agreement dated 6 June 2006 between the Company, quondam aquila partners ag and Grant Thornton Corporate Finance, pursuant to which Grant Thornton Corporate Finance has been appointed to act as nominated advisor to the Company. The engagement letter contains certain undertakings and indemnities from the Company and is terminable on 30 days notice in writing by either party. The engagement letter and novation agreement are governed by English law.
- 7.2 A broker agreement dated 6 June 2006 between the Company, LCF Edmond de Rothschild Securities Limited and the Investment Manager pursuant to which the Company has appointed LCF Edmond de Rothschild Securities Limited as broker to the Company for the purposes of AIM, commencing on the date of the agreement and terminable by either party on not less than three months' notice in writing. The broker agreement may be terminated immediately by either party on the occurrence of certain specified events or if the other party is materially in breach of the broker agreement and fails (in the case of a breach capable of being remedied) to remedy such breach within 10 days of receipt of a written notice from the other requiring it do so. In the agreement, the Company and the Investment Manager have given certain indemnities to LCF Edmond de Rothschild Securities Limited. The Company has agreed to pay LCF Edmond de Rothschild Securities Limited an annual retainer of £15,000. In addition to the fees payable, the Company will reimburse LCF Edmond de Rothschild Securities Limited for all reasonable out-of-pocket expenses incurred in discharging its obligations under the broker agreement.

- 7.3 A placing agreement dated 6 June 2006 between the Company, Grant Thornton UK LLP, LCF Edmond de Rothschild Securities Limited, the Investment Manager and the Directors pursuant to which LCF Edmond de Rothschild Securities Limited has agreed to act as placing agent and use its reasonable endeavours to procure subscribers for the Ordinary Shares. In consideration of LCF Edmond de Rothschild Securities Limited performing its duties under the placing agreement, the Company will pay to it a commission of three per cent. on the gross proceeds of the Ordinary Shares placed by LCF Edmond de Rothschild Securities Limited in respect of which Admission is achieved. In addition to this commission, the Company will reimburse LCF Edmond de Rothschild Securities Limited for all costs and expenses of and incidental to the placing incurred by LCF Edmond de Rothschild Securities Limited.

In the placing agreement, the Company, the Investment Manager and the Directors give certain warranties to LCF Edmond de Rothschild Securities Limited and Grant Thornton UK LLP. The Company also agrees to indemnify LCF Edmond de Rothschild Securities Limited and Grant Thornton UK LLP (and each of their affiliates, and any of their, or any of their affiliates', legal and professional advisers, respective directors, officers, agents and employees) against any loss they may incur in connection with or arising directly or indirectly out of or related to the services or duties performed in connection with the placing agreement, except where such loss arises from such party's negligence, fraud, bad faith, wilful default, breach of the placing agreement or breach of the laws or regulations of any country.

The placing agreement is conditional, *inter alia*, on Admission occurring not later than 8.00 a.m. on 12 June 2006 (and in any event, no later than 30 June 2006). If, at any time before Admission becomes effective, LCF Edmond de Rothschild Securities Limited or Grant Thornton UK LLP is of the opinion, *inter alia*, that any warranty was, when given, untrue, inaccurate or misleading or any statement contained in this document is or has become untrue, inaccurate or misleading, LCF Edmond de Rothschild Securities Limited and Grant Thornton UK LLP may, after consultation with the Company and the Directors, and in its absolute discretion, terminate the placing agreement with immediate effect.

- 7.4 A placing agreement dated 6 June 2006 between the Company, qvnp, the Investment Manager and the Directors pursuant to which qvnp has agreed to act as placing agent and use its reasonable endeavours to procure subscribers for the Ordinary Shares. In consideration of qvnp performing its duties under the placing agreement, the Company will pay to it a commission of three per cent. on the gross proceeds of the Ordinary Shares placed by qvnp in respect of which Admission is achieved. In addition to this commission, the Company will reimburse qvnp for all costs and expenses of and incidental to the placing incurred by qvnp.

In the placing agreement, the Company, the Investment Manager and the Directors give certain warranties to qvnp. The Company also agrees to indemnify qvnp, its affiliates and any of their legal and other professional advisers, directors, officers, agents and employees against any loss they may incur in connection with or arising directly or indirectly out of or related to the services or duties performed in connection with the placing agreement, except where such loss arises from qvnp's negligence, fraud, bad faith, wilful default, breach of the placing agreement or breach of the laws or regulations of any country.

The placing agreement is conditional, *inter alia*, on Admission occurring not later than 8.00 a.m. on 12 June 2006 (and in any event, no later than 30 June 2006). If, at any time before Admission becomes effective, qvnp is of the opinion, *inter alia*, that any warranty was, when given, untrue, inaccurate or misleading or any statement contained in this document is or has become untrue, inaccurate or misleading, qvnp may, after consultation with the Company and the Directors, and in its absolute discretion, terminate the placing agreement with immediate effect.

- 7.5 The Investment Management Agreement dated 6 June 2006 between the Company and the Investment Manager whereby the Investment Manager was appointed to provide a continuous investment programme for the Company's assets, including seeking suitable investments for the Company, advising and supporting in relation to the development of investments held by the Company, seeking ways in which the Company might dispose of its investments, and the provision of investment research and advice with respect to all securities and investments and cash equivalents comprised in the Company's assets, and to provide certain other services to the Company under the terms of that agreement. Subject to the overall control and direction of the Board, the Investment Manager will determine which securities and other investments will be purchased, retained or sold by the Company and will place all sale and purchase orders on behalf of the Company. In the performance of its obligations under the Investment Management Agreement, the

Investment Manager has undertaken to act honestly and in the best interests of the Company, to exercise the care, diligence and skill which a reasonably prudent investment manager would exercise in the circumstances, to comply with the laws and regulations in force from time to time in Vietnam and with the investment objectives, policies and restrictions for the time being and from time to time of the Company as established by the Directors and made known to the Investment Manager, and with the Articles and the AIM Rules, and the Investment Manager is required to have regard to:

- (a) any restrictions set out in this document or any subsequent listing particulars or equivalent document; and
- (b) any other matter to which a prudent discretionary investment portfolio manager should reasonably pay regard in the proper discharge of its duties.

Details of the fees payable by the Company to the Investment Manager under the Investment Management Agreement are set out on page 30 in Part 2 of this document.

The Investment Manager has made no representation or warranty as to the performance of the Company or the success of any investment strategy recommended or used by the Investment Manager.

The Investment Management Agreement contains provisions pursuant to which the Company agrees not to make claims against the Investment Manager or any of its directors, officers, agents or employees, and to indemnify such persons against any claims which may be made against them by third parties and against any costs, losses or expenses which any of them may incur, as a result of, or in connection with the provision by or on behalf of the Investment Manager of services under the Investment Management Agreement, except to the extent that the same is directly attributable to the gross negligence, wilful default or fraud of the Investment Manager or any of its directors, officers, agents or employees.

The Investment Management Agreement may be terminated by the Company, without being required to pay any termination fee to the Investment Manager, by giving notice in writing to the Investment Manager if (i) a petition is presented for the winding up of the Investment Manager (except in respect of a voluntary winding up for the purpose of a reconstruction or amalgamation upon terms previously approved in writing by the Company) and is not discharged within 90 days or if a liquidator is appointed in respect of any of the assets of the Investment Manager or any analogous event occurs or action is taken in any jurisdiction other than the Cayman Islands; or (ii) if the Investment Manager has committed any material breach of its obligations under the Investment Management Agreement and, if such breach shall be capable of remedy, fails within thirty days of receipt of notice requiring it to make good such breach; or (iii) if the Investment Manager is or was fraudulent; or (iv) if the Investment Manager was grossly negligent in the performance of its duties under the Investment Management Agreement and this resulted in a substantial loss being incurred by the Company.

The Investment Manager is entitled to retire at any time on giving notice to the Company if the Company commits any material breach of its obligations under the Investment Management Agreement and (if such breach shall be capable of remedy) the Company fails within thirty days of receipt of notice requiring it so to do to make good such breach.

In addition to the rights of termination for cause, either party may terminate the Investment Management Agreement without cause at any time more than four years after Admission, provided however that any such termination shall only be effective upon the expiration of not less than one year's notice in writing to the other party.

- 7.6 The Custody Agreement dated 6 June 2006 between the Company and the Custodian pursuant to which the Custodian will hold all assets of the Company received by the Custodian in accordance with the terms of the Custody Agreement. Details of the fees payable by the Company under the Custody Agreement are described in Part 3 of this document. The Custody Agreement may be terminated by the Company or the Custodian upon 90 days' notice by either party.

Where the Custodian appoints sub-custodians, the Custodian's duties, obligations, responsibilities and liabilities with regard to the Company's assets will be the same as if such assets were held by the Custodian.

The Custodian has undertaken to indemnify the Company against all costs, damages, losses, liabilities and expenses which the Company may suffer or incur that arise from or are caused by negligence, fraud, bad faith, wilful misconduct or reckless disregard of duties on the part of the Custodian or a breach by the Custodian, or its agents or depositories or both, of its duties and obligations under the Custody Agreement.

- 7.7 The Administration Agreement dated 6 June 2006 between the Company and the Administrator pursuant to which the Administrator (or its duly appointed delegate) has agreed to provide to the Company certain administrative services including preparing the annual accounts and reports of the Company and calculating the Net Asset Value per Share of the Company in accordance with information supplied to it. Details of the fees payable by the Company to the Administrator under the Administration Agreement are described in Part 3 of this document.

The Administration Agreement provides that the Administrator will not be liable to the Company or any Shareholder for any loss, damage, cost, expense or liability incurred or suffered by reason of any action of the Administrator in relation to the Administration Agreement, except where declared by a court guilty of gross negligence or wilful misconduct. In addition, the Company will indemnify the Administrator in connection with any threatened, pending or completed claim, action, suit or proceedings, and hold harmless the Administrator in relation to any loss, damage, cost, expense or liability, by reason of any action by the Administrator in relation to the Administration Agreement, except to the extent the Administrator is declared by a court guilty of gross negligence or wilful misconduct with respect to such action.

The Administration Agreement will remain in effect unless terminated upon not less than 90 days' written notice by the Company or the Administrator. Either the Company or the Administrator can terminate the Administration Agreement forthwith by notice if, *inter alia*, the other has not adhered to its legal obligations or has failed to perform or comply with any term or covenant in the Administration Agreement and such breach has not been remedied within one month after notice requiring the same to be remedied, or if the other goes into liquidation or has a receiver (or its equivalent) appointed over any of its assets.

- 7.8 The Registered Office and Secretarial Services Agreement dated 6 June 2006 between the Company and the Secretary pursuant to which the Secretary has agreed to provide certain company secretarial services to the Company and to provide the registered office for the Company. Details of the fees payable by the Company to the Secretary under the Registered Office and Secretarial Services Agreement are described in Part 3 of this document.

The Registered Office and Secretarial Services Agreement will remain in effect unless terminated upon not less than three months' written notice by the Company or the Secretary. Either the Company or the Secretary can terminate the Registered Office and Secretarial Services Agreement on the giving of 30 days' written notice if the other has committed a breach of the agreement which has not been remedied within thirty days after notice requiring the same to be remedied.

The Company has agreed to indemnify (on a full indemnity basis) the Secretary, Charles, Adams, Ritchie & Duckworth and their respective officers, employees and partners against all liabilities, costs and expenses incurred (other than as arise in the ordinary course of business) in providing services under the Registered Office and Secretarial Services Agreement save where such liability, costs and expenses arise through the fraud, wilful default or negligence of the Secretary, Charles, Adams, Ritchie & Duckworth or any of their respective officers, employees and partners.

- 7.9 Lock-in undertakings dated 6 June 2006 entered into between the Company and each of the Directors pursuant to the terms of which the Directors have covenanted pursuant to Rule 7 of the AIM Rules not to dispose of any Ordinary Shares subsequently acquired by them following Admission for a period of 12 months from Admission except in limited circumstances (being a sale pursuant to a court order, death or acceptance of a takeover offer which is open to all Shareholders).
- 7.10 Placing Letters pursuant to the terms of which the Placees have given certain warranties and representations in connection with the Placing together with entering into lock-in undertakings. Pursuant to the terms of these lock-in undertakings, Placees holding ten per cent. or more of the Ordinary Shares at Admission have undertaken for the purposes of Rule 7 of the AIM Rules not to dispose of any Ordinary Shares held by them at Admission or subsequently acquired for a period of 12 months following Admission except in limited circumstances (being a sale pursuant to a court order, death or acceptance of a takeover offer which is open to all Shareholders).
- 7.11 Save as itemised above, as at the date of this document there are no other contracts (not being contracts entered into in the ordinary course of business) entered into by the Company since its incorporation which are or may be material or which contain any provision under which the Company has any obligation or entitlement which is material to it as at the date hereof.

## 8. WORKING CAPITAL

In the opinion of the Directors, having made due and careful enquiry, taking into account the net proceeds of the Placing, the working capital available to the Company is sufficient for its present requirements, that is for at least 12 months from the date of Admission.

## 9. GENERAL

- 9.1 There are no patents or other intellectual property rights, licences or particular contracts which are of fundamental importance to the Company's business and profitability.
- 9.2 The costs and expenses of, and incidental to, the incorporation of the Company, the Placing and Admission will be borne by the Company and will be approximately \$4.6 million.
- 9.3 The Investment Manager was incorporated as a Company limited by shares in the British Virgin Islands on 1 February 2006 with registered number 1008630. The Investment Manager operates under the International Business Companies Act (Cap. 291) 1984 of the British Virgin Islands. The registered office of the Investment Manager is at the offices of Aleman, Cordero, Galindo & Lee Trust (BVI) Limited, P.O. Box 3175, Road Town, Tortola, British Virgin Islands (tel: +4144 213 6515). The Investment Manager is not regulated in the British Virgin Islands or elsewhere.
- 9.4 The Administrator was incorporated in Luxembourg on 9 December 1993 with registered number B45727. The Administrator was incorporated as a 'société anonyme' (public limited company) under the Law of 10 August 1915, as amended, concerning commercial companies. In addition, in consideration of its status as a 'professional in the financial sector', it is governed by the principles of the law of 5 April 1993, as amended, related to the financial sector in Luxembourg. The registered office of the Administrator is at 5, rue Jean Monnet L-2180 Luxembourg (tel: +352 43 61 61-1). The Administrator is authorised and regulated by the Commission de Surveillance du Secteur Financier.
- 9.5 The Custodian was incorporated in Luxembourg on 28 January 1974 with registered number 11756. The Custodian was incorporated as a 'société anonyme' (public limited company) under the Law of 10 August 1915, as amended, concerning commercial companies. In addition, in consideration of its status as a 'professional in the financial sector', it is governed by the principles of the law of 5 April 1993, as amended, related to the financial sector in Luxembourg. The registered office of the Custodian is at 56, Grand Rue, 1660 Luxembourg (tel: +352 46 00 11-1). The Custodian is authorised and regulated by the Commission de Surveillance du Secteur Financier.
- 9.6 The Vietnam Sub-Custodian started operations in Vietnam in 1995 and operates as a branch of the Hongkong and Shanghai Banking Corporation Limited. The Vietnam Sub-Custodian's operations are governed under the Vietnamese laws on credit institutions and it is regulated by the State Bank of Vietnam. The registered office of the Vietnam Sub-Custodian is at The Metropolitan Building, 235 Dong Khoi Street, District 1, Ho Chi Minh City, Vietnam (tel: +(848) 829 2288).
- 9.7 Save as otherwise set out in this document and except for fees payable to the professional advisors whose names are set out on pages 7 and 8 of this document and trade suppliers no person has received fees, securities in the Company or other benefit to a value of £10,000 (or its currency equivalent) whether directly or indirectly, from the Company within the 12 months preceding the application for Admission, or has entered into any contractual arrangement to receive from the Company, directly or indirectly, any such fees, securities or other benefit on or after Admission.
- 9.8 The Company is not and has not since incorporation been involved in any, governmental, legal or arbitration proceedings (including any such proceedings which, to the knowledge of the Directors, are pending or threatened of which the Company is aware) which may have, or have had in the recent past, significant effects on the Company's financial position or profitability.
- 9.9 There has been no significant change in the financial and trading position of the Company since 30 April 2006.
- 9.10 The Placing Price represents a premium of \$1.00 above the nominal value for an Ordinary Share.
- 9.11 The minimum amount which, in the opinion of the Directors must be raised by the issue of the Placing Shares pursuant to the Placing is \$80 million which will be applied as set out in Part 1 of this document.

- 9.12 Other than the proposed application for Admission, the Ordinary Shares have not been admitted to dealings of any recognised investment exchange nor has any application for such admission been made and it is not intended to make any other arrangements for dealing in the Ordinary Shares on any such exchange.
- 9.13 No exceptional factors have influenced the Company.
- 9.14 The Directors are not aware of any environmental issues that may affect the Company.
- 9.15 The information in Part 4 of this document has been derived, as far as possible, from the following sources: Ministry of Finance, the Annual Report of the Government of Vietnam to the National Assembly, the Report to the 10th Party Congress, CNN Money, Vietnamese legal instruments, Vietnam Economic News, Vietnam Economic Times, Ho Chi Minh City Securities Trading Center, Hanoi Securities Trading Center, Vietcombank Securities Company, Vietnam News, and the offering circular dated 27 October 2005 for the 6% per cent. notes due on 15 January 2016 issued by the Government of Vietnam. Where information has been sourced from a third party, the Company confirms that this information has been accurately reproduced and as far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 9.16 Grant Thornton Corporate Finance, Rothschild Securities and the Investment Manager have given and not withdrawn their written consent to the issue of this document with the references to their names in the form and context in which they appear.
- 9.17 Grant Thornton UK LLP of The Explorer Building, Fleming Way, Crawley, RH10 9GT, United Kingdom have given and not withdrawn their written consent to the inclusion in this document of their Accountants' Report in Part 5 of this document and the references to such reports and to their names in the form and context in which they appear. Except for this information in this document, no other information has been audited or reviewed by auditors.
- 9.18 The Company's auditors are KPMG Audit S.à.r.l. 31, Allée Scheffer L-2520 Luxembourg. KPMG Audit S.à.r.l. was appointed as auditors to the Company on 6 June 2006.
- 9.19 The Company has not, nor has it had since its incorporation employed any employees and it does not own any premises. The Company currently has not made any significant investments and, save as set out elsewhere in this document, nor does the Company have any firm commitment for any further investments.
- 9.20 The Directors undertake to propose a resolution for the winding-up of the Company if no investments have been made within two years of Admission.
- 9.21 The Investment Manager is or may be a promoter of the Company and will receive remuneration under the Investment Management Agreement summarised in paragraph 7.5 above.
- 9.22 All related parties and applicable employees (as these terms are defined in the AIM Rules) have agreed pursuant to Rule 7 of the AIM Rules not to dispose of any interests in any of the Ordinary Shares for a period of 12 months from Admission.
- 9.23 Share certificates representing the Ordinary Shares are expected to be dispatched to holders who do not wish to receive their Ordinary Shares in uncertificated form, by post and at their own risk by 3 July 2006.
- 9.24 Temporary documents of title will not be issued. Pending the despatch of definitive share certificates (if applicable), instruments of transfers will be certified against the register of Shareholders of the Company.
- 9.25 The Directors have applied for the Ordinary Shares to be admitted to Euroclear/Clearstream with effect from Admission. Accordingly, it is expected that the Ordinary Shares will be enabled for settlement in Euroclear/Clearstream following Admission.
- 9.26 The Directors, in accordance with the AIM Rules, will at each annual general meeting of the Company, seek Shareholder approval of the Company's investing strategy.

## **10. AVAILABILITY OF DOCUMENTS**

Copies of this document are available for collection free of charge during normal business hours on any weekday (Saturdays and relevant public holidays excepted) from the offices of Grant Thornton, Grant Thornton House, Melton Street, Euston Square, London NW1 2EP for a period of one month from the date of Admission.



