Annual Report 2014

VietNam Holding

Supported by Vietnam's steadily improving macro-economic stability over the financial year ended 30 June 2014, the companies in VNH's portfolio benefited from an ascending equities market. This resulted in a 24.7% increase in its Net Asset Value (NAV) per share over the year, outpacing by a comfortable margin the 16.3% increase of the Vietnam All Share Index (VNAS) during the same period. Once adjusted for the accretion impact generated by the Company's share buy-back efforts, its NAV per share rose 22.6% during the Year.

Min-Hwa Hu Kupfer, Chairperson
VietNam Holding Limited

Cover Photo: One of the gates at the Temple of Literature in Hanoi - Vietnam's first national university.
All portfolio company photos in this report were taken during the VNH Investor Trip, 4 to 9 May 2014.

National Seed Company (NSC): Based in the north of Vietnam, NSC is a leader in the country's crop seeds market.

Overview

As a value investor, we can best test the valuation of the VNH portfolio by comparing its company holdings to the appropriate total market segment. This also provides an important and fitting validation of VNH's value investment strategy. Comparing the P/E ratios of the three Vietnam All Share Index market segments to those of the corresponding elements in the VNH portfolio illustrates the successful implementation of that strategy.

Jean-Christophe Ganz, Chairman
VietNam Holding Asset Management Limited

Performance

1 July 2013 to 30 June 2014

24.7%
NAV per share[1]

17.9%
VNH share price

- 9.2% outperformance of Benchmark VNAS USD adjusted
- 52-week average share price discount to NAV: 24.7%

[1] Adjusted to reflect dilution from past warrants exercises.

Chairperson's Statement

Discount control has been a top priority for the Company, especially since the AGM in September 2013.

Dear Shareholders,

Supported by Vietnam's steadily improving macro-economic stability, over the financial year ended 30 June 2014 (the "Year"), the companies in VNH's portfolio benefited from an ascending equities market. This resulted in a 24.7% increase in its Net Asset Value (NAV) per share over the Year, outpacing by a comfortable margin the 16.3% increase of the Vietnam All Share Index (VNAS) during the same period. Once adjusted for the accretion impact generated by the Company's share buy-back efforts, its NAV per share rose 22.6% during the Year. For the first six months of the Year, the NAV per share increased by 10.2%, also ahead of the 9.0% increase in the VNAS. The Investment Manager's Report that follows explains why we believe that the VNAS – which was launched in January 2014 – rather than the Vietnam Index (VNI) serves as a more relevant and meaningful basis of comparison when benchmarking the performance of VNH's portfolio.

Accompanying the healthy growth in NAV per share, VNH's share price rose by 17.9% in the Year. Although this advance compares favorably with the VNAS over the same period, VNH's share price only began to out-perform the upward trending NAV in the last six months of the Year, when it rose by 14.0%. For the Year as a whole, however, after taking into account the cash infusion from the recent warrants exercise (see details below), the Company's share price lagged VNH's particularly strong NAV performance, trading at a marked discount to NAV per share.

> "Accompanying the healthy growth in NAV per share, VNH's share price rose by 17.9% in the Year."

Discount control has been a top priority for the Company, especially since the AGM in September 2013. At that meeting, the Company targeted a share price discount to NAV per share by the 2014 AGM of no greater than 95% of the 52-week weighted average discount of its peers.* We are disappointed that for the Year, the 52-week average discount achieved by VNH was 4.3% higher than the 20.4% target for that period.

As part of its efforts to reduce this unwelcome share price discount, VNH has stepped up its share buy-back program. The buy-back mandate from shareholders was renewed at the 2013 AGM and by 30 June 2014 a further 1.7 million shares had been repurchased from the secondary market. By the end of the Year there were clear signs that the discount had begun to narrow.

> "As part of its efforts to reduce this unwelcome share price discount, VNH has stepped up its share buy-back program."

The Company believes that its share price discount will continue to lessen if more resources are allocated to a better executed share repurchase program. To that end, VNH put in place a plan that permits the Company to fully utilize the remaining amount under its annual buy-back limit leading up to the 2014 AGM. This includes authorizing the Company's newly-appointed broker, Winterflood Investment Trusts, to pro-actively buy back shares on its behalf during the close period prior to the announcement of these financial results.

The relatively high 52-week average share price discounts to NAV experienced by VNH and its peers suggest that the liquidity in most, if not all, closed-end Vietnam equity funds has yet to fully recover from the Vietnam Index's last low (at 235) in early 2009. Over the past five years, the lack of appetite shown by foreign investors for these Vietnam-related funds has been further evidenced by the complete absence of new capital inflows. An exception to this was the USD 15.5 million that VNH raised through the warrants exercise that was finalized in October 2013. This additional capital has since been swiftly put to work, assisting the growth in NAV per share for the Year and providing an equally rewarding 22.3% return on the money deployed by VNH's investors in exercising the warrants.

The placement of a Chinese offshore oil rig near the Paracel Islands in the South China Sea in early May 2014 increased tensions with Beijing and tempered the relatively strong performance of Vietnam's stock market in the first four months of 2014. Despite this, the VNAS recouped most of its losses by the end of June and an initial reading of Vietnam's macro-economic data for 2Q2014 also suggests that the adverse impact of the South China Sea incident – and the riots that followed – has been manageable. While it is too early to predict accurately how the offshore territorial dispute between China and Vietnam will unfold, we believe that the potential for any additional risks are remote, as

China has subsequently withdrawn the offending oil rig. This view appears to be supported by other foreign investors, as mentioned in the following Investment Manager's Report.

On behalf of the entire VNH family, I wish to thank all of our shareholders for their continuing interest in our Company. Encouraged by the positive impacts of the last warrant issuance, Vietnam's improving macro-economic environment, the relatively low equity market valuations and the more positive sentiment being conveyed by the resilient corporate sector, we remain convinced that VNH is the investment vehicle of choice for all long term investors in Vietnam.

Min-Hwa Hu Kupfer
Chairperson
VietNam Holding Limited
22 August 2014

*The peer group comprises: Vietnam Enterprise Investments Ltd., PXP Vietnam Fund Limited and Vietnam Equity Holding Limited.

Investment Manager's Report

During the first six months of this year, the picture started to change as foreign investors became increasingly interested in Vietnam's modestly-sized stock market.

In the preceding Chairperson's Statement, Mrs. Min-Hwa Kupfer points to VNH's impressive NAV outperformance of its new (VNAS) benchmark. Before providing explanations for this pleasing result, we would like to review the reasons for changing the benchmark.

The VNAS was launched on 27 January 2014. The VNAS covers the Ho Chi Minh City Stock Exchange (HOSE) free float universe. It has three sub-indices which cover, respectively, the 30 largest capitalized firms, the mid-cap, and the small-cap segments.

We strongly believe that the VNAS is a much more compatible benchmark for VNH than the VNI for the following reasons:

- The VNI includes all 298 companies listed on the HOSE at their full market capitalizations (a total of USD 47.8 billion as at 30 June 2014) without any adjustments for free float. The VNAS, a market-cap weighted index of all HOSE listed stocks, is adjusted for free float, with a total market capitalization of USD 12.4 billion on the same date;
- As of 30 June 2014, the VNAS also excluded some 53 companies that have been suspended for trading or have received regulatory warnings by the HOSE or have insufficient free float;
- The VNAS excludes companies with less than a 5% free float. The most significant of those excluded is PetroVietnam Gas, which, despite a free float of only 3.3% and high volatility, makes up 21.7% of the VNI;
- The VNAS excludes shares which do not meet specific trading liquidity standards;
- The VNAS caps any one company at 10% of the total index in order to provide a more balanced weighting of the market components; Vinamilk, for example, would otherwise have accounted for 26.8% of the VNAS;
- The VNAS' three sub-indices allow us to provide a finer segmentation of the VNH portfolio and to compare its performance and valuations to the comparable segments of the overall market.

As a value investor, we can best test the valuation of the VNH portfolio by comparing its company holdings to the appropriate total market segment. This also provides an important and fitting validation of VNH's value investment strategy. Comparing the P/E ratios of the three VNAS market segments to those of the corresponding elements in the VNH portfolio illustrates the successful implementation of that strategy:

	Large Cap	Mid Cap	Small Cap	Total
VNAS P/E ratios	12.0	12.06	10.86	12.04
VNH Portfolio P/E ratios	11.8	10.2	8.5	10.7

Over the last few years, we have developed VNH's main portfolio themes of Agriculture and Domestic Consumption and have tracked their respective performances against the VNI benchmark. These comparisons have been VNH's main performance drivers. Over the past financial year, we have accumulated shares in companies that represent a third mega trend in Vietnam: Urbanization. We provided an in-depth review of this theme in the Company's Interim Report for the period ended 31 December 2013.

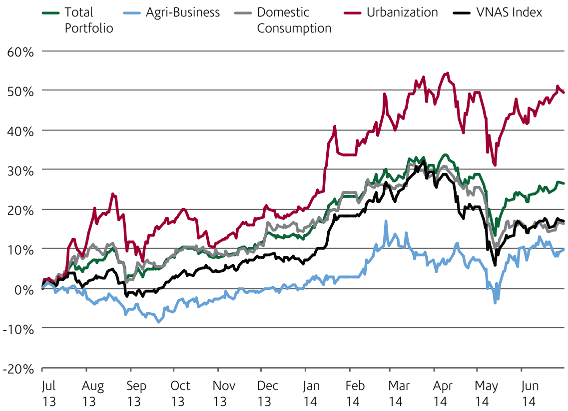
As of the 2014 financial year-end, the three themes produced the following percentage contributions to VNH's overall performance, reflected as the annual increase in segment value in the local currency (VND):

	Theme Portfolio Allocation		Valuations - P/E		Performance
	30 June 2013	30 June 2014	30 June 2013	30 June 2014	June 13 - June 14
Agriculture	30%	14%	8.3	13.8	9.7%
Consumption	42%	38%	10.2	12.9	16.5%
Urbanization	14%	26%	6.8	10.9	49.6%
Total Portfolio	100%	100%	8.3	10.7	26.6%

The table above shows that the most recent of these investment themes – Urbanization - was a key contributor to VNH's out-performance of the benchmark VNAS. This observation is confirmed by the comparative chart opposite. Because most of the Urbanization related portfolio companies have been added over the past twelve months, we show the performance of this theme in a one-year chart.

The declining size of the allocation to Agriculture in the VNH portfolio shown in the above table has two main causes: first, we started to rebalance our Agriculture exposure prior to 30 June 2013 in anticipation of a global decline in agricultural commodity prices; secondly, following the Rubber Barons report by Global Witness which described the apparently wide-spread and systematic ESG violations of Vietnamese rubber groups in Cambodia, we exited VNH's two rubber investments. Declining rubber price projections soon validated this decision.

VNH Portfolio Performance versus VNAS Index



Source: VNHAM and Bloomberg.

Having written extensively about the old and new benchmark, it is important for us to point out that as a sustainable value investor, VNH's main investment management objectives are not linked to the portfolio's relative performance compared to any index, but to the absolute, long term return that is generated for its investors. At the same time, we are fully aware that investors will always put VNH's investment performance within the context of the performance achieved by both its peers and the corresponding market overall.

The Market and Economic Overview presented in the following section takes a closer look at Vietnam's much improved macro-economic environment as well as at the stock market and its outlook. Unlike many other Asian stock markets, the role of foreign investors in Vietnam has been marginal over the past five years. During the period between 2009 and 2013, the average market share of foreign investors ranged between 8.6% and 10.7%. Hence, the rather disappointing local stock market performance over this period reflected the relatively modest risk appetite of the domestic Vietnamese investors.

During the first six months of this year, the picture started to change as foreign investors became increasingly interested in Vietnam's modestly-sized stock market. This is shown by comparing the absolute and relative amounts of foreign investment into the Vietnamese equity markets. During the first half of 2014, foreign investors added USD 284 million

“ Unlike many other Asian stock markets, the role of foreign investors in Vietnam has been marginal over the past five years ”

in incremental investments in Vietnam. That is an equivalent of 2.2% of the total free float as defined by the VNAS. The net investment flows of the peer countries India, Indonesia, Philippines and Thailand ranged from -0.3% for Thailand to +1.0% for Indonesia.

Min-Hwa Kupfer wrote in her Statement about the Vietnamese equity markets' reactions to the China oil rig incident. Yet, between 1 May 2014 and 30 June 2014, foreign investors were net buyers on almost every business day and cumulatively invested USD 168 million. By mid-year, the market had recovered 10% of the total 12% decline recorded by the VNAS at the beginning of that period. The market subsequently recovered the remaining losses, and indices later reached levels not seen since the fall of 2009. However, while the total market valuations as expressed by the VNAS had reached a P/E of 21.9x in September 2009, the VNAS P/E in early August 2014 was reported at just 13.1x. We explain the much lower valuations of today by a) the listed companies' collective lower earnings growth and b) the more reasonable valuation levels of new listings. It is no wonder that foreign investors continue to allocate funds to the Vietnamese equity market.

Jean-Christophe Ganz
Chairman
VietNam Holding Asset Management Limited
22 August 2014

Market and Economic Overview

We remain generally optimistic about Vietnam's economic and corporate sector prospects, and anticipate that this will be reflected in the performance of Vietnam's equity markets.

The last twelve months have witnessed a sustained and welcomed improvement in Vietnam's macro-economic profile and corporate sector performance, some of which has been reflected in the gains displayed by the equity markets. In 1H2014, the VNAS rose by 9.0%, as noted in the Chairperson's Statement, and by 16.3% during the Year. In terms of the overall economic picture, GDP growth in 1H2014 was 5.2%, and with economic growth momentum providing a helping tailwind, the World Bank currently forecasts that GDP growth for calendar year 2014 should come in at around 5.6%. Echoing this, the IMF's most recent 'Article IV' assessment of Vietnam's economy, issued in June, noted that "recent achievements in macro-economic stabilization are commendable".

> "The last twelve months have witnessed a sustained and welcomed improvement in Vietnam's macro-economic profile and corporate sector performance"

As the global economy slowly recovers from the sub-prime financial crisis, Vietnam has seen inflows of foreign direct investment remaining robust, with substantial projects being enacted in higher value-added fields of manufacturing. Earlier in 2014, mobile telephones took over as the single largest export earner for Vietnam, exceeding garments, footwear, seafood, coffee, oil and a host of other commodities with which the country's trade is most often associated. Further, the foreign-invested sector has become a major component of the overall economy, helping Vietnam to record some of its first monthly trade surpluses. With Intel recently announcing that it plans to produce 80% of all its fourth generation CPUs (central processing units) in Vietnam by the end of 2014, and Microsoft indicating that a large portion of its Nokia manufacturing in China will relocate to Vietnam, this dynamic seems destined to continue for quite some time. For 1H2014, initial estimates suggest that Vietnam's registered export earnings will reach USD 70.9 billion; an increase of 15% YoY, with 60% of it emanating from the foreign-invested sector.

China's controversial decision in May 2014 to position an exploratory oil rig in territorial waters contested by both Hanoi and Beijing, and just 120 miles off Vietnam's central coast, ignited a spate of rioting and looting in some industrial areas. This prompted a sell-off by domestic retail investors, presumably fearing that such events could undermine Vietnam's economic growth, and the stock market indices corrected accordingly. However, numerous foreign institutions saw this as a buying opportunity, and used this window of opportunity to increase their positions in various Vietnamese stocks, particularly those previously at the foreign equity cap. As a consequence, the 1H2014 saw a market rally from January to late March, punctuated by a pronounced dip in April and early May. This was followed by a second rally, commencing in mid-May, that allowed the equity indices to recoup most of the losses incurred during the earlier correction. China subsequently withdrew its rig in mid-July.

Thanks in part to some relatively large IPOs and listings over the last twelve months, such as Mobile World and PetroVietnam Gas, the total market capitalization of the Ho Chi Minh City Stock Exchange is now at roughly USD 48 billion, substantially higher than last year's USD 38 billion (at 30 June 2013). Even so, using the P/E ratio as an indicative measure of value, Vietnamese stocks remain relatively cheap compared to those of their regional peers, with the VNAS' P/E at 12.0 as of the end of June 2014. The fundamentals of corporate earnings are also of a higher quality than has often been the case in the past, as bank credit and other forms of liquidity have been brought under tighter control. This has resulted in improved financial discipline in the corporate sector. Indeed, credit growth has been muted for much of the last twelve months.

Vietnam's improved macro-economic performance is due in large part to a more sensitive approach by the government towards economic governance, the latter having learned from the somewhat erratic economic gyrations of recent years. By adopting a more subtle manipulation of various policy levers, Hanoi has been able to catalyze a gradually improving GDP growth trajectory, while simultaneously containing inflationary forces. This is not to suggest that the economy is yet performing at its optimal rate, but its profile is more balanced and the outlook is more positive. Importantly, in late July 2014, Moody's raised Vietnam's overall credit rating from B2 to B1, with a stable outlook, citing improved macro-economic stability, a strengthened balance of payments position, and a perceived reduction in banking sector risks. Inflation seems to have been tamed also, with the CPI at just 1.38% YTD and 4.98% YoY, as of June 2014, the lowest level of inflation in over a decade-despite the recent increases in petroleum prices.

Some of Vietnam's economic growth is due to various stimulation measures by the government, which entail an increase in budgetary expenditures. In 1H2014, the Ministry of Finance raised just over USD 44 billion in a bond issuance to help underwrite some of these costs. The VND currency held relatively steady for much of 1H2014, although in mid-June the State Bank of Vietnam enacted a 1% devaluation in the reference rate; the first such move in a year. As a result, the VND was at 21,330 against the US dollar by end-June. By comparison, most other Southeast Asian currencies have devalued much more against the greenback over the last year. And with the opening of McDonald's in Vietnam earlier in 2014, The Economist's 'Big Mac Index' would suggest that the VND remains about 40% under-valued. The country's foreign exchange reserves are now reported to be near USD 35 billion; the highest level for a long time.

In addition, some of the economic growth has come from incremental moves toward a much less bloated and self-indulgent corporate sector. In particular, we have seen the larger SOEs given clear instructions from their government masters to reform, notably in terms of divesting themselves of non-core assets, moving ahead with plans to become more profit-oriented, and in some cases to sell a portion of their shares to outside investors. In the private sector, we have seen a thinning out of numerous unprofitable companies that had previously been able to avoid bankruptcy through access to easy credit. Nevertheless, corporate sector reform in Vietnam remains very much a work in progress. but with some tangible advances over the last twelve months. For example, the HSBC Purchasing Managers' Index (PMI) was above the 50-point level (indicating an increasing rate of growth) for ten consecutive months to June 2014, having been mostly below the 50 point level (indicating an increasing rate of contraction) for 19 of the previous 26 months.

> "We have seen the larger SOEs given clear instructions from their government masters to reform, notably in terms of divesting themselves of non-core assets, moving ahead with plans to become more profit-oriented"

The banking sector is also going through some positive changes. A number of smaller banks have opted to merge, largely in a bid to comply with the government's tighter regulations on the classification of non-performing loans and provisioning, as well as the size of their capital base. There have also been moves to reduce cross-holdings in banks, as well as ceilings on how much equity a single person, family or organization may own in a bank. Nonetheless, a number of banking scandals over the last year – such as those at Vietnam Construction Bank, Vietnam Bank for Agriculture and Development and VietinBank – have cumulatively served to prove that governance structures and practices in the financial sector remain in need of improvement. Meanwhile, the State-owned Vietnam Asset Management Company has been quite active over the last year in buying bad debt from banks, and thereby reducing the scale of NPLs in some banks' loan portfolios. A more fundamental improvement in the banking sector will necessitate an improvement in the property sector, which remains sickly. This will require the larger SOEs to repay some of the loans they took out to finance their earlier, fairly indiscriminate bid to diversify into a range of businesses of which they had little knowledge, and must now spin off.

Looking to the year ahead, we remain generally optimistic about Vietnam's economic and corporate sector prospects, and anticipate that this will be reflected in the performance of Vietnam's equity markets. A number of high profile equalizations are widely expected, including those of Vinatex and Vietnam Airlines, among others. But behind the headline-grabbing news, we see policy-makers and corporate leaders alike 'getting real' about a number of fundamental economic issues – including SOE reform. This bodes well for the next chapter in Vietnam's development story. While there has been some talk of creating a 'super ministry' to oversee the entire SOE sector and its reform, many think that the existing State Capital Investment Corporation (SCIC) should be given this mandate, and the resources to carry it out. A revised Enterprise Law is being drafted, providing an opportunity to enact further reforms in areas such as corporate governance practices. There is also wide anticipation that the 49% cap on foreign holdings in listed companies will be raised, possibly up to 60%.

Our primary aim remains for VNH to provide a means by which shareholders can get the best exposure to Vietnam's long-term growth potential. We will do so with continued emphasis on both capturing hidden value and promoting a sustainable approach to corporate sector expansion and macro-economic growth.

Portfolio Companies

Hau Giang Pharma (DHG): Established in 1974, DHG is Vietnam's leading domestic pharmaceutical producer and distributor.

Phu Nhuan Jewelry (PNJ): Saigon-based PNJ is the largest distributor and producer of jewelry products in Vietnam with 169 retail stores across the country.

Hung Vuong Corporation (HVG): HVG established its market-leading position in fish exports through an integrated vertical value chain from fish hatchery and feed manufacturing to fish farming and processing.

BINH MINH PLASTIC (BMP)

SHAREHOLDER PROFILE (at 30 June 2014)	
State Capital Investment Corporation	30%
Foreign investors	49%
Domestic investors	21%

VIETNAM HOLDING'S INVESTMENT (at 30 June 2014)	
Number of shares:	2,331,925
Total investment:	USD 3.48 million
Average purchase price:	VND 31,853
% VNH shareholding:	5.1%

TRADING INFORMATION (at 30 June 2014)	
Listed on:	HOSE
Date of listing:	12 Jun 2006
Total shares outstanding:	45 million
Share price:	VND 70,000
52 week high:	VND 85,500
52 week low:	VND 60,000
Trailing P/E:	8.5
Trailing P/B:	2.0

FINANCIAL HIGHLIGHTS (USD million)	2012	2013
Equity capital	61.1	70.6
Revenue	90.3	99.6
Revenue growth (in VND) (%)	3.5	10.4
EBIT	22.2	23.2
NPAT	17.2	17.6
EPS (VND)	7,927	8,134
EPS Growth (%)	19.7	2.6
Gross margin (%)	31.2	29.8
EBIT margin (%)	24.6	23.3
ROE (%)	31.0	26.8
D/E	0.0	0.0
Current ratio (x)	7.1	6.4

Source: BMP audited financial statements

ESG HIGHLIGHT

BMP was among the first few companies to include a Sustainable Report as part of its 2013 Annual Report. The roles of Chairman and CEO are now segregated. Binh Minh Plastics has been an industry leader in staff wellness programs and particularly in health and safety protection. In recent years, the company has greatly emphasized its vision of "sustainable business", as evidenced by its efforts to obtain ISO 14001 and improve corporate governance practices. BMP is one of just a few companies in Vietnam that organizes quarterly briefings with major shareholders and the media for business updates.

CORE BUSINESS

Production of plastic water pipes and fittings, principally for the construction industry.

COMPANY BACKGROUND

Binh Minh Plastics is a leading manufacturer of plastic pipes and fittings in Vietnam. The company has a 28% market share nation-wide, with about 90% of its revenues based in the South of the country. The company originated as a state-owned enterprise, was equitized in 2003 and listed in 2006.

KEY STRENGTHS

Core competencies include an experienced and highly committed management team led by Mr. Le Quang Doanh, BMP's Chairman and an extended distribution network with over 1,000 sales agents across Vietnam. The company's Chairman is also Chairman of the Vietnam Plastics Association. Over recent decades, Binh Minh Plastic's brand name has become increasingly associated with high quality products for both residential and governmental construction projects, particularly in the South and Central markets. Moreover, BMP has been strongly supported by strategic investors including State Capital Investment Corporation (SCIC) and NawaPlastic Industries, a Thailand-based plastics company. These partnerships have been instrumental in expanding markets, enhancing production capacity, accelerating product innovation and supplying raw materials more efficiently.

BUSINESS STRATEGY AND EXECUTION

The company constantly seeks opportunities in new markets and develops new products through intensive investment. BMP expanded its presence in the North of Vietnam with the establishment of a factory in Hung Yen Province, with a 20,000 ton production capacity. Although facing fierce competition from companies in the North, the factory started generating profit in 2009 and has established a strong platform for future growth. BMP also has plans to explore the Central market further. It currently holds a 29.05% stake in Da Nang Plastic (DPC) with an aim to increase its market share in Central Vietnam and enlarge its distribution network.

Later this year, BMP will restart its factory project in Long An Province following a compulsory relocation of an outdated factory in Ho Chi Minh City. The new factory will allow BMP to increase its current capacity from 100,000 tons to 300,000 tons per year.

PERFORMANCE & DEVELOPMENT

Despite an unfavorable macro-economic environment and a stagnant property market, BMP continues to achieve positive growth in both revenues and profit, which were up 10.5% and 2.5%, respectively. Accordingly, BMP continues to generate the highest profit in the industry and now enjoys a market share of 55% in the South and 28% in the country as a whole.

OUTLOOK

The government has approved a number of policies to support the banking system and the real estate market. Growth in the construction materials sector is forecast to pick up noticeably in 2014 and even more so in 2015 as macroeconomic conditions continue to improve and supporting policies increase positive investor sentiment.

Portfolio Companies

HAU GIANG PHARMACEUTICAL JOINT STOCK COMPANY (DHG)

DHG PHARMA
Vì một cuộc sống khỏe đẹp hơn

SHAREHOLDER PROFILE (at 30 June 2014)	
SCIC	43.3%
Foreign investors	49.0%
Domestic investors	7.7%

VIETNAM HOLDING'S INVESTMENT (at 30 June 2014)	
(at 30 June 2014)	
Number of shares:	2,284,997
Total investment:	USD 4.2 million
Average purchase price:	VND 39,153
% VNH shareholding:	2.6%

TRADING INFORMATION (at 30 June 2014)	
Traded on:	HOSE
Date of listing:	21 Dec 2006
Total shares outstanding:	87 million
Share price:	VND 98,000
52 week high:	VND 108,500
52 week low:	VND 73,100
Trailing P/E:	14.4
Price/Book:	4.1

FINANCIAL HIGHLIGHTS (USD million)	2012	2013
Equity capital	81.0	93.9
Revenue	140.0	168.2
Revenue growth (in VND) (%)	17.7	20.3
EBIT	26.1	30.0
NPAT	23.2	28.1
EPS (VND)(*)	7,443	9,010
EPS growth (%)	16.6	21.1
Gross Margin (%)	49.3	46.5
EBIT Margin (%)	18.7	17.9
ROE (%)	28.8	29.7
D/E (x)	0.01	0.06
Current Ratio (x)	2.8	2.2

Sources: DHG audited financial statements and annual reports.

ESG HIGHLIGHT

In its 2013 Annual Report, DHG presented detailed information on the parameters and the results of quality and quantity monitoring of the consumption of raw materials, energy and water. The report also provides investors with descriptions of hazardous waste treatment processes and methods of diminution of solid waste products applied in DHG's factories.

CORE BUSINESS
Producer and distributor of pharmaceutical products.

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

KEY STRENGTHS
DHG has a well-developed distribution network throughout all 64 provinces of Vietnam, the most extensive network among its local rivals. It has held the largest market share among its peers for the past 17 years. The management team has proven its competence by establishing a clear strategy of concentric diversification, based on core competencies. The company's modern and integrated factory system meets global standards. Its R&D laboratory is very active in the development of both new products as well as substitutes for imported products, all the while meeting applicable ISO standards.

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

PERFORMANCE & DEVELOPMENT
DHG has moved to the 3rd position in terms of market share in Vietnam, just after Sanofi Group and GSK Group, while standing ahead of Novartis and Astrazenca. In 2013 it was the only Vietnamese company to be in the top 5 pharmaceutical companies that produce and distribute products in Vietnam. For the full year 2013, DHG beat its revenue target by 10.2% and the profit before tax target by 37%, recording revenue growth of 20.3% and net profit growth of 21.1%. This was partly due to the extraordinary income of VND 122 billion from selling the Eugica brand name to Mega Wecare. In 2013, the company also made significant steps in improving operational effectiveness including the hiring of Ernst & Young to provide restructuring consultancy and enhance business applications. The company received Biotechnology Equivalence certification for seven products and is conducting clinical trials for both Naturenz and Eyelight Vita Yellow supplement products.

OUTLOOK
A new factory with a designed capacity of 4 billion units per annum started operation in April 2014. A new antibiotic factory with a designed capacity of 1 billion units is planned for commissioning in December this year. These two new factories will together raise the company's total product capacity to 9.5 billion units, doubling the current capacity. Through this, DHG will become the largest pharmaceuticals producing company in Vietnam. The company will also benefit from tax incentives for the next 15 years (first 4 years at rate of 0%, next 9 years at rate of 5% and two remaining years at 10%).

The company continues to co-collaborate with senior academic researchers at pharmaceutical universities. It is jointly conducting bioequivalent studies on long-acting treatment products and developing the liver-antidote Naturenz with the Institute of Biotechnology. The company is also seeking to produce Spirulina (a type of seaweed containing zinc, selenium and chromium from spores) to be used in the development of nutrition-related products for women and children.

DANANG RUBBER JSC (DRC)

SHAREHOLDER PROFILE (at 30 June 2014)	
Vinachem	51%
Foreign investors	18%
Domestic investors	31%

VIETNAM HOLDING'S INVESTMENT (at 30 June 2014)	
Number of shares:	2,770,410
Total investment:	USD 5.4 million
Average purchase price:	VND 41,583
% VNH shareholding	3.3%

TRADING INFORMATION (at 30 June 2014)	
Listed on:	HOSE
Date of listing:	29 December 2006
Total shares outstanding:	83 million
Share price:	VND 50,500
52 week high:	VND 50,500
52 week low:	VND 35,470
Trailing P/E:	11.1
Price/Book:	2.7

FINANCIAL HIGHLIGHTS (USD million)	2012	2013
Equity capital	56.1	65.4
Revenue	133	133.7
Revenue growth (in VND) (%)	6%	1%
EBIT	21.7	27.1
NPAT	14.9	17.8
EPS (VND)	5,355	4,518
EPS Growth (%)	58%	20%
Gross margin (%)	21.3%	19%
EBIT margin (%)	10%	15%
ROE (%)	30.5%	28.5%
D/E	0.8	1.1
Current ratio (x)	1.9	1.4

Sources: DRC audited financial statements
(*) Stock dividend ratio 10:4 in May 2012, and 10:2 in May 2013

ESG HIGHLIGHT

DRC applies clear segregation of duties between its Chairman and its CEO. The company has been an industry leader in implementing staff wellness programs, particularly the health and safety aspects. Starting last year, the company installed state-of-the-art air filters and fire extinguisher systems at its new factories and workshops. The company has also enhanced the activities of its investor relations team.

CORE BUSINESS
Production of tires and inner-tubes for bicycles, motorbikes and automobiles.

COMPANY BACKGROUND
DRC is Vietnam's second largest tire producer in terms of total sales and the largest producer in terms of heavy truck tires, with a 35% market share. The company owns two production workshops with a combined capacity of 11.7 million units of bicycle/bike tires and 1 million units of automobiles tires per year. DRC is the only producer of off-road (OTR) tires in Vietnam. The company was equitized in 2006 and listed on HOSE in the same year.

KEY STRENGTHS
DRC enjoys strong brand equity and has established a nationwide distribution network. Their management team has the technical competence to successfully manage the company's diversified scope of business. DRC's relatively large operations allow for economies of scale resulting in lower production costs than most local competitors.

BUSINESS STRATEGY AND EXECUTION
Automobile tires remain the company's strategic product line based on growing demand, strong brand equity and an established distribution network. To better drive future growth, DRC continues to invest in high-value, high-margin products such as OTR and radial tires. The export market accounts for 15% of its revenues.

DRC finished construction of a radial tire factory with annual capacity of 300,000 tires per year, which started operating in 3Q2013. The company has secured an export contract with Stamford International to sell 120,000 radial tires per year during its initial production phase.

PERFORMANCE & DEVELOPMENT
Financial performance has been solid, as DRC has successfully capitalized on a significant drop in raw material costs since late 2011. Although revenue was flat, gross profit margins improved for a second consecutive year, from 21.3% to 25.6%. Earnings in 2012 and 2013 increased by 58% and 20%, respectively.

OUTLOOK
Domestic demand for truck tires in Vietnam is expected to remain high in both the short and the long term. In April 2014, the Ministry of Transportation issued circular No.6 limiting truck loads and resulting in a higher demand for truck fleets and tires by transportation companies. Auto sales grew 19% in 2013 and 31% in 1H2014. They reached 110,519 units in 2013 translating to a potential demand for tire replacement of 442,074 units each year as of 2014. Auto sales in Vietnam are expected to reach 130,000 units in 2014, representing an increased demand for 520,000 tire units in 2015. In response, DRC plans to expand the capacity of its radial factory from a current 300,000 units per year to 600,000 units in 2016 and to 1 million units per year in 2018.
The company continues to benefit from a continuing decline in raw material prices. However, margins will likely stabilize due to rising depreciation costs and interest expenses in the new radial factory.

Portfolio Companies

FPT CORPORATION (FPT)

SHAREHOLDER PROFILE (at 30 June 2014)	
State Capital Investment Corporation (SCIC)	6%
Foreign investors	49%
Domestic investors (excluding SCIC)	45%

VIETNAM HOLDING'S INVESTMENT (at 30 June 2014)	
Number of shares:	2,308,603
Total investment:	USD 3.94 million
Average purchase price:	VND 36,404
% VNH shareholding	0.7%

TRADING INFORMATION (at 30 June 2014)	
Listed on:	HOSE
Date of listing:	21 November 2006
Total shares outstanding:	343.89 million
Share price:	VND 46,600
52 week high:	VND 57,000
52 week low:	VND 31,700
Trailing P/E:	10.5
Price/Book:	2.2

FINANCIAL HIGHLIGHTS (USD million)	2012	2013
Equity capital	340.4	414.6
Revenue	1,174.7	1,289.0
Revenue growth (in VND) (%)	(3.1)	9.9
EBIT	125.9	126.3
NPAT	73.6	76.7
EPS (VND)	5,665	5,858
EPS Growth (%)	(9.7)	3.4
Gross margin (%)	19.1	20.5
EBIT margin (%)	10.7	9.8
ROE (%)	32.7	29.9
D/E	0.4	0.3
Current ratio (x)	1.5	1.74

Source: FPT audited financial statements

ESG HIGHLIGHT

FPT University is cooperating with local colleges to train 500 Japanese-speaking engineers for graduation in 2014. The recent appointments of two managers as Vice-Presidents to lead FPT's Global Expansion program were the result of its Senior Leadership Rotation program, which trains young employees for future management positions.

CORE BUSINESS

FPT is a regional software developer, provider of IT and telecom services and distributor/retailer of IT products.

COMPANY BACKGROUND

FPT is the largest IT company in Vietnam, with 2013 revenues of USD 1.289 billion. Originally a state-owned enterprise founded in 1988, FPT changed its focus to IT in 1990 and has held the leading position in Vietnam since 1996. It went public in 2002 and was listed in 2006.

KEY STRENGTHS

The company's key strengths include high-quality human resources, a comprehensive telecom infrastructure and a reputable brand name that is recognized throughout the country. FPT is the largest software exporter in Vietnam with a skilled workforce that includes 6,500 programmers. A complete telecom infrastructure helps FPT to increase its competitiveness and reduce lease-line costs and enables its market expansion to second-tier cities. It is already represented in 57 of the 63 cities and provinces in Vietnam and in 17 countries around the world with a strong base of more than 300 customers and partners globally.

BUSINESS STRATEGY AND EXECUTION

FPT continues to set an ambitious goal of becoming a globally recognized all-inclusive IT services provider. Technology, which includes software development and IT services, and Telecom businesses are the company's key growth drivers. FPT has continued to invest heavily in telecom infrastructures and it emphasizes training IT professionals, domain experts and key management staff to increase its dedicated workforce for the needs of worldwide markets. FPT's global expansion is being assisted by the trend of Japanese companies to search for IT outsourcing destinations outside of China. The company is also seeing opportunities from the U.S. and Singapore markets with estimated 2014 IT services spending of USD 379 billion and USD 9.2 billion, respectively. FPT has cash reserves of around USD 50 million available for M&A targets that include companies demonstrating strong technological capabilities, knowledgeable consulting skills and significant international customer bases.

PERFORMANCE & DEVELOPMENT

FPT's 2013 profit before tax (PBT) reached USD 119.35 million, up 5% YoY. The software development and telecom services segments experienced high PBT growth rates of 11% and 20%, respectively. FPT's strategic markets for software development grew impressively. The Japan market achieved 2013 revenues of USD 53.18 million, up 12% YoY, contributing 52% to total outsourcing revenue. During the same period the U.S. market registered sales of USD 27.75 million, up 62% YoY, accounting for 27% of total outsourcing revenue. In addition, FPT won a USD 9.72 million contract to deliver a Financial Management Information System for the State Treasury of Cambodia. The company's second North-South telecom infrastructure backbone was also completed. FPT Telecom is using it as a back-up line in case of outages in order to depend less on other operators' networks. In Cambodia, FPT has also been able to reach the second position in terms of the number of telecom service subscribers.

OUTLOOK

2014 revenue and PBT targets are set to grow 11% and 6% YoY, respectively due to weaker forecasted macroeconomic conditions. Therefore, the system integration, distribution and retail segments do not expect strong growth. However, the software development segment is forecasted to enjoy high growth of 28% YoY in sales and 17% YoY in PBT. FPT will boost overseas revenues by at least 32% YoY as part of its Global Expansion program. The digital content segment has been in the restructuring process and is aiming to deliver better performance in the near future.

HOA PHAT GROUP (HPG)

SHAREHOLDER PROFILE (at 30 June 2014)	
Foreign investors	44%
Domestic investors	56%

VIETNAM HOLDING'S INVESTMENT (at 30 June 2014)	
Number of shares:	4,140,280
Total investment:	USD 6.11 million
Average purchase price:	VND 31,480
% VNH shareholding:	0.9 %

TRADING INFORMATION (at 30 June 2014)	
Listed on:	HOSE
Date of listing:	31 Oct 2007
Total shares outstanding:	481 million
Share price:	VND 54,000
52 week high:	VND 54,000
52 week low:	VND 23,565
Trailing P/E:	11.0
Price/Book:	2.5

FINANCIAL HIGHLIGHTS (USD million)	2012	2013
Equity capital	388.0	450.4
Revenue	803.7	903.0
Revenue growth (in VND) (%)	(5.7)	12.5
EBIT	77.6	124.7
NPAT	47.5	93.2
EPS (VND)	2,071	4,055
EPS Growth (%)	(19.8)	95.8
Gross margin (%)	14.8	17.3
EBIT margin (%)	9.7	13.8
ROE (%)	12.7	21.2
D/E	0.8	0.8
Current ratio (x)	1.4	1.1

Source: HPG audited financial statements.

ESG HIGHLIGHT

All Hoa Phat steel plants comply with the strict environmental policies set by the government. HPG utilizes a water circulation system and runs a thermal power plant taking heat from the coke production process in the steel complex. This is not only a cost benefit factor but also helps mitigate environmental impacts. The company has participated in a project sponsored by UNIDO (United Nations Industrial Development Organization) for improving industrial energy efficiency in Vietnam.

CORE BUSINESS

The production and sale of construction steel.

COMPANY BACKGROUND

Hoa Phat was established in 1992 as a small private company specialized in trading construction machinery and equipment. The company expanded into the steel business in 1996 with a steel pipe factory. HPG has since evolved into the second largest construction steel maker in Vietnam with an 18% domestic market share at March 2014. HPG is also the largest steel pipe maker and the largest office furniture manufacturer in Vietnam.

KEY STRENGTHS

HPG is among very few steelmakers in Vietnam developing an integrated vertical production chain using advanced Basic Oxygen Furnace technology to make steel from iron ore and coking coal, which helps mitigating the negative impacts of input price fluctuations as well as providing cost advantages over competitors.

The second phase of the current steel mill expansion, which was put into operations in September 2013, increased HPG's total capacity from 850,000 tons to 1.1 million tons per year and set a strong platform for its future growth. In addition, HPG's accessibility to the supplies of major raw materials proves to be a unique competitiveness factor. It currently owns a number of iron ore mines, which can supply about 35% of current iron ore needs and a 700,000 ton coal coking plant to fully satisfy HPG's coke requirements. Finally, HPG has a well-established distribution network across the country.

BUSINESS STRATEGY AND EXECUTION

HPG is in the process of modernizing and expanding its production units, raw material resources and other facilities to maintain its dominant position in the construction steel market. It is endlessly promoting technology improvements to increase productivity and efficiency, which allows the company to earn a larger profit margin, maintain its competitive edge and sustain performance in an increasingly competitive market. With the completion of phase 2 of the steel mill expansion, the company will have fulfilled the initial stage of its strategic objective to achieve the number one position in construction steel in Vietnam in the next 5 years.

PERFORMANCE & DEVELOPMENT

HPG achieved great success in the 2013 fiscal year amidst a stagnant property market. It increased its construction steel market share from 13.2% in 2012 to 15.2% in 2013, and by a further 18% year-to-date until June 2014. In 2013, HPG earned VND 2,010 billion net profit, up 102% YoY, on revenues of VND 19,200 billion, up 11.6% YoY. Aside from extraordinary financial income, the profit result in 2013 was mainly attributable to a significant improvement in gross profit margin from 14.8% to 17.3%. HPG's revenues and net income for 1H2014 are reported at VND 13,339 billion, up 61% YoY, and VND 1,874 billion, up 85% YoY thanks to increases in sales of both construction steel and real estate.

OUTLOOK

Earnings growth is forecast to be strong in 2014 given HPG's ability to gain an increased market share and enhance its profit margins, to benefit from lower interest rates and substantial earnings from a major real estate project. The company is aiming for VND 3,200 billion in net profit, up 64% YoY, on revenues of VND 23,000 billion, up 11.3% YoY, in 2014. Long-term growth prospects are positive, driven by increasing demand while steel consumption per capita in Vietnam is still low when compared to the region and the rest of the world. HPG plans to start construction of Phase 3 of the Steel Mill expansion in September 2014. With a design capacity of 750,000 tons per year, Phase 3 will bring the total capacity of HPG to nearly 2 million tons per year, the largest in the country.

Portfolio Companies

Hung Vuong Corporation (HVG)

SHAREHOLDER PROFILE (at 30 June 2014)	
State Capital Investment Corporation	0%
Foreign investors	13%
Domestic investors	87%

VIETNAM HOLDING'S INVESTMENT(at 30 June 2014)	
Number of shares:	6,236,470
Total investment:	USD 5.16 million
Average purchase price:	VND 17,652
% VNH shareholding:	5.2%

TRADING INFORMATION (as at 30 June 2014)	
Listed on:	HOSE
Date of listing:	16 Nov 2009
Total shares outstanding:	120 million
Share price:	VND 23,500
52 week high:	VND 30,000
52 week low:	VND 19,500
Trailing P/E:	13.5
Trailing P/B:	1.2

FINANCIAL HIGHLIGHTS (USD million)	2012	2013
Equity capital	104.4	110.9
Revenue	367.2	526.7
Revenue growth (in VND) (%)	(1.4)	43.6
EBIT	23.3	14.2
NPAT	12.4	11.8
EPS (VND)	2,209	2,079
EPS Growth (%)	(38.3)	(5.9)
Gross margin (%)	14.1	8.9
EBIT margin (%)	6.3	2.7
ROE (%)	12.0	10.6
D/E	1.1	1.4
Current ratio (x)	1.3	1.2

Sources: HVG audited financial statements

ESG HIGHLIGHT

Hung Vuong was the first Vietnamese seafood company to qualify for The World Wildlife Fund's Aquaculture Stewardship Council certification. The World Wildlife Fund (WWF) has actively supported Vietnam in improving the sustainable development of pangasius aquaculture through a five-year Aquaculture Improvement Program. It has also promoted the application of global standards to all pangasius enterprises. Hung Vuong and its affiliates have met numerous other major food safety and quality standards.

CORE BUSINESS

The farming, processing and export of pangasius fish products.

COMPANY BACKGROUND

In 2013, Hung Vuong (HVG) was the largest pangasius exporter in Vietnam with USD 217 million in exports, representing 12.3% of Vietnam's total pangasius export turnover. Established as a private company in 2003, HVG's products are shipped to the EU, the US, Russia, Mexico, Ukraine, Australia, Hong Kong, the Middle East, South America and South East Asia.

KEY STRENGTHS

Hung Vuong has developed an integrated vertical value chain from fish hatchery, feed manufacturing and fish farming to processing, cold storage warehousing and exporting. Vertical integration enables Hung Vuong to stabilize production and improve profit margins. HVG's production capacity is among the largest in the industry with 11 processing plants, 6 feed mills, 322 hectares of aquaculture zones in favorable locations and more than 10,000 employees. It has a total processing capacity of 335,100 tons of fish and 900,000 tons of fish feed per year. HVG has developed a strong customer base with more than 40 international distributors.

BUSINESS STRATEGY AND EXECUTION

HVG continues to concentrate on its core business by growing its production capacity and expanding aquaculture zones to better secure the increasing demand for sustainably farmed fish. It is also restructuring the company into groups of related business lines for more efficient management. HVG's growth strategy has been based on both M&A activities and internal growth. After acquiring Agifish, a leading pangasius exporter in 2012, HVG went on to acquire a leading pangasius feed producer Viet Thang Feed (VTF) in 2013. That same year, HVG spent VND 250 billion to improve working capital for fish farming, thus enhancing its ability to process fish in its own processing plants.

PERFORMANCE & DEVELOPMENT

In 2013, HVG generated laudable business results with VND 247 billion in net income, down 5% YoY and revenues of VND 11,179 billion, up 44% YoY. This was achieved despite economic slowdown in several important export markets. The significant increase in revenues came from the consolidated revenues from its new subsidiary, Viet Thang Feed (VTF). The company has diversified into new markets including Brazil, Mexico, Australia and South East Asia.

OUTLOOK

VNH expects a better year for HVG in 2014, as externally acquired raw materials are set to decrease and export prices in turn are set to rise. This year, HVG will likely be able to supply up to 70% of its own needs for raw materials, compared to about 50% in previous years. HVG is aiming for VND 700 billion in profits before tax in 2014, up significantly from last year.

Long-term growth prospects are also positive, driven by steadily increasing demand for pangasius fillet and shrimp on the world market and the increasingly strong market position of HVG versus its competitors.

PETROVIETNAM DRILLING (PVD)

SHAREHOLDER PROFILE (at 30 June 2014)	
PetroVietnam (State Ownership)	50%
Foreign investors	40%
Domestic investors	10%

VIETNAM HOLDING'S INVESTMENT (at 30 June 2014)	
Number of shares:	2,400,486
Total investment:	USD 7.18 million
Average purchase price:	VND 63,818
% VNH shareholding	0.9%

TRADING INFORMATION (at 30 June 2014)	
Listed on:	HOSE
Date of listing:	15 Nov 2006
Total shares outstanding:	276 million
Share price:	VND 82,500
52 week high:	VND 87,000
52 week low:	VND 41,364
Trailing P/E:	10.5
Trailing P/B:	2.2

FINANCIAL HIGHLIGHTS (USD million)	2012	2013
Equity capital	335.7	467.7
Revenue	572.8	710.1
Revenue growth (in USD) (%)	27.4	24.0
EBIT	90.9	111.9
NPAT	63.5	90.0
EPS (VND)	6,302	7,493
EPS Growth (%)	22.9	18.9
Gross margin (%)	22.5	22.4
EBIT margin (%)	15.9	15.8
ROE (%)	20.0	22.4
D/E	1.0	0.6
Current ratio (x)	0.9	1.2

Source: PVD audited financial statements

ESG HIGHLIGHT

Since inception, the company has observed the industry's high health and safety requirements. It has developed extensive programs for labor protection and has received numerous ISO Health and Safety Certificates. Its Health Safety Environment Quality (HESQ) Management System is managed and unified by the parent company to ensure the consistency of the system throughout all divisions and subsidiaries.

CORE BUSINESS

Drilling and technical drilling-related services in the oil and gas sector.

COMPANY BACKGROUND

The company was spun off from a division of PetroVietnam Technical Services (PVS) to become an independent company in 2001. It was equitized and listed on HOSE in 2006. PVD is the sole player in drilling services in Vietnam with three self-elevating (jack-up) rigs, one land rig, one semi-submersible Tender Assist drilling rig and three other leased drilling rigs. It supplies various types of technical drilling-related services for oil and gas exploration and production activities in Vietnam, Algeria and South East Asia. PVD was named "The Best Oil and Gas Drilling Contractor in Asia in 2012" by World Finance Magazine and "Most Admired ASEAN Enterprise for the Category of Growth – Large Company" by KPMG in 2013.

KEY STRENGTHS

As a part of PetroVietnam (PVN), PVD has a unique competitive edge due to access to the oil and gas projects of PVN. It derives about 80% of its business from PVN and PVN's affiliates and enjoys a more than 50% market share in Vietnam's self-elevating drilling services market. It holds an 80% to 90% market share in related drilling services.
PVD has a proven ability to manage and efficiently operate premium self-elevating rigs. PVD rigs I, II and III were certified by the International Association of Drilling Contractors (IADC) without a Lost Time Incident (Zero LTI). It recently put its PVD V rig into operation without incident. This rig is one of the most modern, semi-submersible, Tender Assist Drilling rigs in the world. PVD has a large client base, comprising both local and international oil-field operators.

BUSINESS STRATEGY AND EXECUTION

PVD continues to focus on its core businesses of operating drilling rigs and providing the related technical services. PVD is seeking to improve its competitiveness and competencies through technology transfer and risk sharing with strategic partners such as Maersk Contractors, Baker Hughes, Halliburton and Expo Group.

PERFORMANCE & DEVELOPMENT

In 2013, PVD achieved 24.5% and 42.1% YoY growth in revenues and net income, respectively. The impressive results were mainly attributable to a 15% average increase in lease rates for drilling service, the healthy growth in oil-well and other related services, lower interest expenses and increased income from joint ventures.

In 2013, PVD issued 38 million shares to PetroVietnam and other investors through a private placement. The proceed of VND 1,454 billion was used to invest in another modern drilling rig, which is expected to be operational in 1Q2015, as well as in new high-tech equipment.

OUTLOOK

The self-elevating rig market in South East Asia, especially in Vietnam, Indonesia, Malaysia, Thailand and Myanmar, has been growing in recent years. This is reflected in an average increase of 15% in lease rates last year. All of PVD's self-owned drilling rigs have been working at almost full capacity under long term contracts. To meet the higher demands of its clients, PVD often has to lease outside drilling rigs in order to operate under short-term contracts.

Due to stricter environmental and safety requirements, a number of outdated regional drilling rigs will be gradually retired. As a result, there is a shortage in supply of new and high-tech rigs in the region, which gives great opportunities for PVD in its short- and mid-term prospects.

Portfolio Companies

TRAPHACO JOINT STOCK COMPANY (TRA)

SHAREHOLDER PROFILE (at 30 June 2014)	
State owned (SCIC)	36%
Foreign investors	46%
Domestic investors	18%

VIETNAM HOLDING'S INVESTMENT (at 30 June 2014)	
Number of shares:	2,200,528
Total investment:	USD 4.6 million
Average purchase price:	VND 45,559
% VNH shareholding:	8.9%

TRADING INFORMATION (at 30 June 2014)	
Traded on:	HOSE
Date of listing:	26 Nov 2008
Total shares outstanding:	24.7 million
Share price:	VND 77,000
52 week high:	VND 92,900
52 week low:	VND 70,200
Trailing P/E:	13.9
Price/Book:	2.9

FINANCIAL HIGHLIGHTS (USD million)	2012	2013
Equity capital	21.7	32.4
Revenue	66.9	80.2
Revenue growth (in VND) (%)	31.8	20.1
EBIT	9.9	12.0
NPAT	5.6	7.1
EPS (VND)	5,023	6,255
EPS growth (%)	39.4	24.5
Gross Margin (%)	41.1	42.9
EBIT Margin (%)	14.8	15.0
ROE (%)	25.8	26.0
D/E (x)	0.5	0.2
Current Ratio (x)	1.6	2.3

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

ESG HIGHLIGHT

By the end of 2013, Traphaco completed the submission to government regulators of its registration profile for the WHO's Good Agriculture and Collection Practices (GACP-WHO) standards for 4 of the key ingredients for its Boganic and Cebraton products, marking additional important steps to TRA's becoming an environmentally responsible producer and supplier in the industry.

CORE BUSINESS
Manufacturer and distributor of herbal medicines.

COMPANY BACKGROUND
Traphaco (TRA) is the leading herbal medicine manufacturer in Vietnam, with herbal medicine representing about 80% of total self-produced product sales. Originating as a state-owned enterprise, TRA was equitized in 2000 and listed on HOSE in 2008.

KEY STRENGTHS
TRA was the first traditional pharmaceutical company in Vietnam to successfully build a widely recognized brand name. It is now nationally known as a leading supplier of high-quality herbal and medicinal products, and has received many awards for product quality and biotechnology research including the International Best Enterprise award given by the European Business Assembly. TRA has the first herbal production factory in Vietnam to be certified by World Health Organisation's Good Manufacturing Practices system (GMP-WHO), and has positioned itself as a technology leader. Its R&D department is very active and efficient, resulting in 20 new products being researched and around 6 new products being brought to market each year.

BUSINESS STRATEGY AND EXECUTION
After more than 10 years of focusing on the introduction of high quality, branded products, TRA has now switched to a more aggressive expansion strategy. It has increased the number of proprietary medicines, expanded its distribution network by acquiring pharmaceutical companies with existing local distribution networks and enhanced the supply channels of its herbal plantations. Through this it has become a leader in sustainable herbal medicine production not only in Vietnam, but also globally. To strengthen its finances, TRA has improved its cost margins by increasing production efficiencies and shifting its product mix to higher margin items. TRA has also put additional emphasis on employee training to prepare for the launch of a new factory in 2015.

PERFORMANCE & DEVELOPMENT
Over the last 2 years, Traphaco has acquired three local drug distributors in the provinces Daklak in South-Central Vietnam, Quang Tri in Central Vietnam and Thai Nguyen in Northern Vietnam. Traphaco now has the second largest pharmaceutical distribution network in Vietnam. Its raw material quality control has benefited from its GreenPlan program, under which the company has developed more than 100ha of new herbal ingredient plantations. The company achieved growth rates of 20.1% in net revenue and 28.3% in net profit after tax in 2013, far ahead of the industry average rate of 15% in both categories.

OUTLOOK
TRA has set moderate targets for fiscal year 2014. During the year it will introduce restructuring changes in its sales sytem. This may produce some diffculties in the short term but will ensure more sustainable growth in the future. From 2015, high growth will be maintained for several reasons. It will limit herbal production facilities to GMP-WHO certified factories creating opportunities to gain market share. The full consolidation of a currently 51% owned subsidiary will improve bottom line margins. And stronger brand name positioning will be the result of a new promotion campaign and further brand consolidation. By the end of 2015, Traphaco plans to bring into operation a new, high-tech factory in Hung Yen representing an estimated investment of VND 300 billion.

VIETNAM DAIRY JOINT STOCK COMPANY (VNM)

VINAMILK

SHAREHOLDER PROFILE (at 30 June 2014)	
SCIC	45%
Foreign investors	49%
Domestic investors	6%

VIETNAM HOLDING'S INVESTMENT (at 30 June 2014)	
Number of shares:	1,357,662
Total investment:	USD 2.4 million
Average purchase price:	VND 37,520
% VNH shareholding:	0.2%

TRADING INFORMATION (at 30 June 2014)	
Traded on:	HOSE
Date of listing:	19 January 2006
Total shares outstanding:	833 million
Share price:	VND 122,000
52 week high:	VND 148,000
52 week low:	VND 120,000
Trailing P/E:	15.9
Price/Book:	5.4

FINANCIAL HIGHLIGHTS (USD million)	2012	2013
Equity capital	738.7	836.8
Revenue	1,279.9	1,475.9
Revenue growth (in VND) (%)	37.3	13.2
EBIT	315.2	382.0
NPAT	276.3	311.6
EPS (VND)	6,940	7,840
EPS growth (%)	36.6	13.0
Gross Margin (%)	33.6	36.1
EBIT Margin (%)	20.0	25.9
ROE (%)	41.6	39.6
D/E (x)	0.0	0.1
Current Ratio (x)	2.7	2.6

Sources: VNM annual report and audited financial statements

ESG HIGHLIGHT

Nine of VNM's factories (including two mega factories) are using either Biomass fuel or CNG fuel. Vinamilk has also impemented a number of methods to better the well-being of its livestock such as specialized rubber flooring pads made by a Swedish company.

CORE BUSINESS

Manufacture and distribution of dairy and beverage products.

COMPANY BACKGROUND

Vinamilk (VNM) is the leading dairy product manufacturer and distributor in Vietnam, with an average market share of over 50% (90% in yogurt, 70% in condense milk, 49% in fresh milk, and 25% in powdered milk). Seven years after having its shares listed on the Ho Chi Minh stock exchange, VNM is now one of the largest listed companies in Vietnam by market capitalization (around USD 5.5 billion). VNM aims to become the leading Vietnamese brand, recognized and trusted for providing healthy and nutritional products.

KEY STRENGTHS

VNM differentiates its sustainable business strategies through product innovation based on a strong R&D commitment, an extensive network of distributors and growing export capacity. VNM takes pride in its well-established distribution network which is comprised of a modern trade channel (supermarkets) and a traditional channel (retailers) across the country. Through the traditional channel, VNM deals with up to 250 exclusive distributors who deliver products to more than 220,000 retailers.

BUSINESS STRATEGY AND EXECUTION

VNM's vision is to continue being Vietnam's most sustainable and fastest growing dairy food company and ultimately to be among the top 50 dairy producers globally, with sales revenues above USD 3 billion by 2017. The company continues to focus on local market share expansion by building a high quality and diverse product portfolio for a growing customer base, through a steadily widening distribution network.

PERFORMANCE & DEVELOPMENT

In 2013, Vinamilk inaugurated two new factories including a 54,000-ton-per-year powdered milk factory and a 400 million-liter-per-year liquid milk factory, which both meet international standards. The powdered milk factory, built to international standards, has the capacity to feed 700,000 children per year. The liquid milk factory uses the modern integration and automation technologies provided by the Swiss giant Tetra Pak and includes the largest high-tech "intelligent" warehouse in Vietnam.

The company has also expanded its production capacity and distribution network to new markets such as the US, Cambodia, New Zealand and Poland. A 70% stake in Driftwood (USA), a 51% holding in a joint venture with a Cambodian partner, an investment in a Miraka milk processing factory in New Zealand and a USD 3 million wholly-owned subsidiary in Poland serve as VNM's footholds in these important markets.

OUTLOOK

VNM reported an annual growth target of 20% in revenues and 10% in net profits for the next 5 years. The company's management plans to upgrade capacity of the liquid factory to 800 million liters per annum by 2017. The powdered milk factory is expected to satisfy 35% of domestic demand by 2015 and 40% by 2020. In an effort to be more independent with raw material resources, the company has been increasing investments in its livestock assets by raising the herd from 8,000 cows to 36,000 cows by 2016. The company expects to report single digit growth in 2014 for a number of reasons: weaker aggregate demand; a government decreed price cap on powdered milk products for children under 6; higher raw materials prices and surging depreciation expenses from two new factories. The company's prospects look more attractive in the long term with stronger recovery in domestic demand and full efficiency from its new factories and oversea investments.

Portfolio Companies

VICONSHIP (VSC)

SHAREHOLDER PROFILE (at 30 June 2014)	
Foreign investors	49%
Domestic investors	51%

VIETNAM HOLDING'S INVESTMENT (at 30 June 2014)	
Number of shares:	2,895,507
Total investment:	USD 3.05 million
Average purchase price:	VND 22,331
% VNH shareholding:	8.4%

TRADING INFORMATION (at 30 June 2013)	
Traded on:	HOSE
Date of listing:	12 December 2007
Total shares outstanding:	28.6 million
Share price:	VND 51,000
52 week high:	VND 66,000
52 week low:	VND 27,900
Trailing P/E:	7.2
Price/Book:	1.9

FINANCIAL HIGHLIGHTS (USD million)	2012	2013
Equity capital	36.3	41.9
Revenue	37.2	37.8
Revenue growth (in VND) (%)	21.0	1.6
EBIT	11.3	12.8
NPAT	10.9	11.5
EPS (VND)	8,021	8,394
EPS growth (%)	19.6	4.7
Gross Margin (%)	34.4	38.3
EBIT Margin (%)	30.3	33.9
ROE (%)	30.2	27.2
D/E (x)	0.05	0.01
Current Ratio (x)	2.2	2.3

Sources: VSC annual report and audited financial statements

ESG HIGHLIGHT

A clear segregation of duties between the Chairman and the CEO was put into effect in 2011. The company has robust policies on labor and environmental protection, including energy efficiency and port cleanliness. VSC also organizes diversified programs and social activities for employees. In particular, 16 staff members were sent to foreign countries for training last year. Forty were sent to domestic English language training and 466 to periodic technical training.

CORE BUSINESS

Viconship (VSC) engages in the integrated businesses of port services, container yard operation, cargo forwarding and truck transportation.

COMPANY BACKGROUND

VSC was founded in 1985 in Haiphong as part of the Vinalines Group. In 2002 it was equitized and was subsequently listed on HOSE in 2008. VSC is the only port services company without state ownership, and foreign shareholders currently hold the maximum permitted 49% interest. VSC operates an international seaport (Green Port), which can accommodate two ships of up to 10,000 DWT (deadweight tons) each at any one time. This port accounts for about 60% of VSC's total revenues and almost 80% of its net profits. The company's extensive container yards are strategically located in Haiphong near Green Port. This segment contributes 20% of revenues and nearly 10% of profits. Truck transport and cargo forwarding add 20% and 10% of total revenues and profits, respectively.

KEY STRENGTHS

VSC has built its reputation on the quality of its services, with quality management, a clear growth strategy and a consistent long-term vision. VSC provides a complete range of facilities from cargo loading to warehousing, container yard operation, in-land truck transport and freight forwarding.

BUSINESS STRATEGY AND EXECUTION

VSC has now completed its Green Port Logistic Center with two 7,500 square meter storage facilities on 15ha of land. The company also plans to construct a container port in the center of Dinh Vu Port with a capacity of 500,000 twenty-foot containers (TEU) per year. This will raise the total capacity of VSC there to 800,000 TEU per year. VSC also increased its 12% stake in PTSC Dinh Vu (PSP) to 22% and made it an affiliated company. PSP is located next to the Dinh Vu Port, one of the most profitable ports in the Hai Phong area.

PERFORMANCE & DEVELOPMENT

Revenues and net income in 2013 rose only marginally by 1.6% and 5.2% YoY, respectively. Gross margins increased to 38.3% YoY, due to an 11% decrease in labor costs in the same period. VSC finances its balance sheet primarily through equity capital. Its debt/equity ratio is only 0.01. Its current ratio is high at more than 2X with a large cash balance.

OUTLOOK

In 2014, VSC's revenue and profits growth will be contributed to primarily by the new logistics center. Revenue and net profits are expected to increase by 14.2% and 8.2% YoY, respectively. Management also targets a 2014 dividend between 20% and 30% on its new charter capital after paying a 20% stock dividend in 2013.

Sustainability Report

SUSTAINABLE INVESTING

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

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

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

PORTFOLIO COMPANIES: PROGRESS REPORT

Environment

Vinamilk (VNM)

To ensure the highest possible input quality, breeding facilities are equipped with the world's most modern technology such as temperature resistant roof systems using cold steel sheets as a heat insulation layer, an automatic, drinking system and new cooling fans. The resting lots for the cows are covered by rubber mattresses made in Sweden to ensure the cow hoofs are clean and not infected. Each cow wears a microchip to check the exact amount of milk provided by each cow and detect the cows in rut or ill so that veterinarians can promptly give treatment. Vinamilk continues to buy the additional milk it does not itself produce directly from farmers rather than from agents as part of a program begun in April, 2013. This helps to better control critical input quality. Vinamilk has also started using aluminum and stainless steel cans to contain milk instead of plastic cans. By the end of 2013, 90% of its dairy farmers used aluminium and stainless steel to preserve milk. The transit stations have also been upgraded with stainless steel standardized cooling tanks and a closed equipment sanitation process. Vinamilk has also started to apply the Resazurin method to check micro-organisms in milk. With this method, the farmers need to wait just 10 minutes to get quality test result. Nine of the company's factories, including its two mega-factories, use either Biomass or CNG fuel.

Hau Giang Pharma (DHG)

DHG introduced new policies for environment protection in its 2013 Annual Report. The policies were established in accordance with both ISO and WHO global standards. The company has also built environmental protection programs based on guidance formulated in local regulations. They include those local regulations that standardize the performance assessment of environmental impacts before and after an investment project. Environmental evaluation criteria monitoring air, noise, humidity, and waste- water are tested 4 times per year.

Traphaco (TRA)

In a long-term strategy to use green plantations and green procurement, the company aggressively expanded its plantation areas for key herbal materials throughout the country. As of April 2014, Traphaco has developed more than 600 hectares of new, green plantations of herbal materials, an increasing portion of which meet WHO standards. In 2013, 93% of the input materials in Traphaco's production were from closely controlled domestic sources.

National Seeds (NSC)

Under new programs to enhance environment protection, NSC is emphasizing its R&D activities in creating new breeds, which are resistant to pests and diseases. This will minimize the use of pesticides and reduce air and water pollution. The breeds include glutinous maize hybrids, the VS1 rice seed and certain high quality fragrant rice varieties.

Social

Hoa Phat Group (HPG)

During the Tet holidays, Hoa Phat organizes annual trips to Vietnam's northern mountains to bring the minority ethnic people gifts such as sweaters, coats, books and stationery. In 2013, the Group also provided VND 5 billion for the building of an elementary school in Hai Duong province, which is well equipped with modern facilities and meets national standards. HPG also spends VND 700 million per year to provide supplemental food to the patients in hospitals in Ho Chi Minh City.

FECON Foundation Engineering & Underground Construction (FCN)

Continuing the success of the first such event, FECON organized the second annual international GEOTEC HANOI Conference. Both conferences were presented in cooperation with the Asian Institute of Technology and Vietnamese expert organizations. They provided useful guidance on high-rise construction, underground work in soft soil, and foundation improvement techniques. Participants included more than 500 international and local specialists who much appreciated the events as productive contributions to the development of the industry and to industry safety standards.

Sustainability Report

Governance

Petrovietnam Drilling (PVD)

For the first time, Petrovietnam Drilling announced in its 2013 Annual Report a long-term sustainable development strategy. Sustainability was established as a core value of the company. The strategy stressed a strong commitment to Health, Safety, Environment, and Quality. It made clear a real enthusiasm for responsible innovation and a strong commitment to its shareholders as well as to society. Under its HSEQ programs, Petrovietnam Drilling has issued 74 related documents covering training materials, the evaluation of more than 100 sub-contractors and surveys on customer satisfaction. Conferences on HSEQ involved the participation of both subsidiaries and joint venture companies such as PVD Baker Hughes, Vietubes and PVD Expro. In 2013, the company achieved a Lost Time Incident Rate of zero, while the average Asia Pacific level was 0.12.

National Seeds (NSC)

In its 2013 Annual Report, NSC announced its position statement on climate change and sustainable development. NSC explains that Vietnam is one of the 10 countries in the world that are most severely affected by climate change. Natural disasters have been occurring at greater frequency and farmers who live in poorer areas are the most affected. As an enterprise that operates in the agriculture business, NSC puts at the core of its development a responsibility towards social development, environmental protection and the harmonization of interests among their related stakeholders.

ACTIVE ENGAGEMENT

As an active investor, Vietnam Holding assigns a high priority to the engagement mandate entrusted to us by our shareholders. During the past fiscal year, our investment team has further developed its engagement initiatives, adding to the impressive results that have already been achieved.

Many of the improvements in the areas of environmental practices, corporate social responsibility and corporate governance described in the previous section were the result of our active engagement. VNH and its investment manager remain fully committed to pursuing a focused discussion of crucial ESG issues in our constant dialogue with investee companies.

Director Engagement

The Boards of Directors of VNH and its investment manager are committed to the established practice of engaging portfolio company executives in face-to-face meetings. Each VNH and VNHAM director is assigned to selected portfolio companies according to their industry specialization. In concert with members of the investment team, they follow a systematic engagement schedule of personal meetings with the management of our portfolio companies. The assigned analyst briefs each director on the important financial and ESG issues in advance of every visit, and directly benefits from attendance at the meetings. An important aspect of the directors' engagement is the element of seniority that the directors bring to the relationship. When meeting with the most senior VNH representatives, local executives are challenged to answer and discuss pertinent and well-informed inquiries.

Through these direct engagement visits VNH emphasizes the importance of enhanced company disclosure and transparency. In many cases, tangible progress in annual reports and company websites are noted, which rewards VNH's ongoing commitment to spread ESG awareness and enforcement throughout Vietnam's corporate community. Results to date prove the effectiveness of our approach, and the directors of VNH and VNHAM will continue to develop their active engagement program.

VNH Forum

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

The last VNH Forum was held on 6 March 2014 in Ho Chi Minh City with the theme "ESG Reputation in a Digital World". The keynote speaker, Peter Klein, CEO of Educated Change Ltd, addressed what every executive must do to protect and build a digital reputation. The impact on corporate image of Big Data, Social Media and the Internet in general in relation to ESG issues was also broached. It was the 9th VNH Forum, and this event series is to be continued in 2015.

Shareholder Voting

Over the past fiscal year VNH voted at the Annual General Meetings of every portfolio company in which the fund held an equity position at the time of the AGM.

The voting activity of VNH was as follows:

- During the fiscal year, VNH attended 25 AGMs in which a total of 210 individual agenda items were proposed. The investment team considered each issue on the basis of strategic merit and long-term profitability.
- In most cases, VNH voted for the agenda items proposed by the companies' boards of directors. In the cases of two investee companies that we had decided to divest, we nevertheless attended the AGMs, but did not involve ourselves in the objections to some agenda items.

CARBON FOOTPRINT

VNH is very conscious of its corporate carbon footprint. With offices in Vietnam and Switzerland as well as an international Board of Directors, the emission of greenhouse gases tied to our activity is relatively high compared to the size of the organization. However, the Company has been offsetting its CO2 emissions since 2010.

The carbon footprint of our business activities for the respective fiscal years is calculated by considering the international and domestic air travel of our directors and staff as well as the energy consumption of our two offices. For the past fiscal year we have estimated that the carbon footprint of our travel activity amounts to 282.60 tons of CO_2, while the energy consumed in our offices amounts to 83.92 tons.

We are offsetting the total 366.52 tons of CO_2 through our continued support of two small hydropower projects located in Kon Tum Province, Central Vietnam. By providing this rural and mountainous region with reliable and sustainable energy, these projects displace diesel generators and wood-fired lighting and heating. This leads to better air quality and reduced respiratory and eye diseases. In an effort to support sustainable development in the local communities, the project owner has funded the construction of canals, bridges, roads and a school. Also, local farmers are encouraged to broaden their agricultural activities in order to make them more sustainable. This includes implementing aquaculture, which reduces the need for logging to create more farmland.

We will continue in this commendable environmental and community enhancement effort and will regularly report on our progress.

PARTNERSHIPS

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

ASrIA

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

Global Compact

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

UN PRI

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

South Pole Carbon

South Pole Carbon has helped VNH to calculate its CO_2 footprint for the past four fiscal years and to identify a suitable project in Vietnam to properly and meaningfully offset harmful emissions. South Pole Carbon is a Swiss-based global leader in the development of emission reduction projects, the providing of climate action solutions, and active carbon asset management.

Directors' Report

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

The Board is responsible for reviewing the Company's Investment Policy and the performance of its investment portfolio. In particular, the Board is required to approve all investments that are in excess of 4% of the Net Asset Value at the time that the investment is made. Disposals of investments where the Company holds 4% or more of the total share capital of the respective portfolio company are also subject to the approval of the Board.

As a Cayman Islands incorporated company that is admitted to trading on the London Stock Exchange's AIM division and with a secondary listing on the Frankfurt Stock Exchange's Entry Standard Market, the Company is not required to and does not comply with any particular code of corporate governance. However, the Directors recognise the importance of sound corporate governance commensurate with the size of the Company and the interests of Shareholders. The Company has therefore adopted a code of ethics, which applies to all directors and advisors as well as to all VNHAM employees. The Directors also comply with the AIM Rules, including Rule 21 relating to directors' dealings. The Company has also adopted a code for directors' dealings in securities of the Company based on the model code annexed to chapter 9 of the Listing Rules of the Financial Conduct Authority in the UK.

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

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

The Board has also established two committees: an Audit Committee and a Corporate Governance Committee. Both committees are made up of all three Directors who work closely on all Board matters.

The Audit Committee, chaired by Mr. Nguyen Quoc Khanh, is responsible for appointing the Auditors, subject to Shareholder approval, and for reviewing the results of all audits. It is also responsible for establishing internal business controls and audit procedures. The internal compliance audit function has been delegated to an external audit firm, which submits periodic internal audit reports to the Chairman of the Audit Committee.

The Corporate Governance Committee, chaired by Professor Rolf Dubs, is responsible for the governance of the Company and the Company's relationships with multiple constituents, including the Investment Manager and its affiliates.

The Board met quarterly and held one telephonic board meeting during the Year. In the same period, the Board oversaw the successful exercise of 12.7 million warrants issued by the Company, resulting in an equal number of additional ordinary shares being issued and raising capital totalling USD 15.2 million.

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

The share buy-back program and share price discount control procedures were also reviewed quarterly during the Board meetings. As had been the case in the past several years, the Company held investor presentations during the twelve-month period, twice each in Zurich, Geneva and London, where the Directors met and engaged with Shareholders. The Board also reviewed other investor relation activities, including a roadshow in Frankfurt, coverage by brokerage research and investment analysts, and investor communications.

The Board regularly reviewed the ongoing expenditures of the Company, the variance between actual expenses incurred as compared to the respective budgeted items, as well as the service qualities, costs and engagement terms of its service providers. After careful consideration, the Board appointed Altium Capital Limited as the Company's Nominated Advisor and Winterflood Investment Trusts as the Company's broker, replacing Oriel Securities Limited in both roles, effective in June 2014.

The Audit Committee held four meetings in the Year in conjunction with the Board meetings. The Chairman of the Investment Manager's Risk Management Committee reviewed with the Committee the Master Risk Matrix in each of the quarterly meetings. In addition, compliance reporting was reviewed, and risk control issues were evaluated by the Committee.

The Corporate Governance Committee also held four meetings in conjunction with the quarterly Board meetings. The Investment Manager presented its strategic plans, financial positions and organizational development in each of the Committee meetings. Throughout the year, the Committee evaluated the quality of communications between the Chairperson of the Board and its members, the timeliness and completeness of the Board meeting material submission, and the overall effectiveness of each Board meeting.

The Committee conducted the annual performance review of the Investment Manager and approved the Key Performance Indicators as jointly recommended by the CEO and the Board of the Investment Manager. In addition, the Committee oversaw the annual certification of the Code of Ethics by all employees, officers, advisors and Board members of the Investment Manager and the Company.

Remuneration

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

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

In 2014, the Company's Directors' Base Fees were:

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

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

The total remuneration of the Company's Directors during the Year as the result of meeting attendance and Committee works was USD 170,750 as follows:

Mrs. Min-Hwa Hu Kupfer, Chairperson	USD 81,250
Professor Rolf Dubs, Director & Chairman, Corp. Governance Committee	USD 46,250
Mr. Nguyen Quoc Khanh, Director & Chairman, Audit Committee	USD 43,250

Directors' Ownership of VNH

Mrs. Min-Hwa Hu Kupfer	36,667 shares
Professor Rolf Dubs	30,000 shares
Mr. Nguyen Quoc Khanh	10,000 shares

During the year, the Directors increased their collective ownership of the Company from 60,000 shares to 76,667 shares as a result of the exercise of 6,667 warrants by Mrs. Min-Hwa Hu Kupfer, and of 10,000 warrants by Professor Dubs in September 2013.

On behalf of the Board of Directors:

Min-Hwa Hu Kupfer
Chairperson
22 August 2014

Offsetting CO_2 Emissions

As mentioned in the preceding Sustainability Report VNH is supporting this hydropower project through Swiss-based South Pole Carbon in order to offset its annual CO_2 emissions.

The new hydropower house in central Vietnam's Kon Tum province distributes clean energy to the local population.

Clean electricity reduces diesel generator and wood fire use in this rural area and thus improves in and outdoor air quality.

Independent Auditor's Report

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Offsetting CO_2 Emissions
As mentioned in the preceding Sustainability Report VNH is supporting this hydropower project through Swiss-based South Pole Carbon in order to offset its annual CO_2 emissions.

Report on the financial statements
We have audited the accompanying financial statements on pages 26 to 42 of VietNam Holding Limited ("the Company"), which comprise the statement of financial position as at 30 June 2014, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

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

Auditors' responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2014, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

KPMG LLP
Public Accountants and Chartered Accountants

Kpmg llp

Singapore
22 August 2014

Statement of Financial Position

as at 30 June 2014

	Note	2014 USD	2013 USD
Assets			
Cash and cash equivalents		2,459,814	2,671,910
Investments in securities at fair value	3	118,526,227	83,939,007
Accrued dividends		625,811	374,108
Receivables on sale of investments		693,059	1,326,054
Total assets		**122,304,911**	**88,311,079**
Equity			
Share capital	5	120,094,331	109,507,940
Retained earnings		392,362	(22,239,418)
Total equity		**120,486,693**	**87,268,522**
Liabilities			
Payables on purchase of investments		605,360	705,228
Accrued expenses		1,212,858	337,329
Total liabilities		**1,818,218**	**1,042,557**
Total equity and liabilities		**122,304,911**	**88,311,079**
Total equity represented by:			
Net assets attributable to shareholders (last traded prices)		120,486,693	88,198,156
Adjustment from last traded prices to bid – market prices		–	(929,634)
Net assets attributable to shareholders (bid – market prices)	6	120,486,693	87,268,522

The net asset value per share based on last traded prices was USD1.921 as at 30 June 2014 (2013: USD1.648) calculated as per the prospectus, and the net asset value per share calculated as per IFRS, USD1.921 as at 30 June 2014 (2013: USD1.630). This is based on 62,722,025 shares outstanding (2013: 53,530,411).

The financial statements on pages 26 to 42 were approved by the Board of Directors on 22 August 2014 and were signed on its behalf by:

Min-Hwa Hu Kupfer
Chairperson of the Board of Directors

Nguyen Quoc Khanh
Chairman of the Audit Committee

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

Statement of Comprehensive Income

for the year ended 30 June 2014

	Note	2014 USD	2013 USD
Dividend income from equity securities at fair value through profit or loss		4,087,013	4,043,206
Net gain from equity securities at fair value through profit or loss	7	23,123,195	17,445,739
Net foreign exchange loss		(16,647)	(31,491)
Net investment income		**27,193,561**	**21,457,454**
Investment management fees	8	2,142,403	1,465,670
Incentive fees	8	954,449	–
Advisory fees		149,834	163,327
Administration and accounting fees	10	95,281	83,250
Custodian fees	9	141,827	76,159
Directors' fees and expenses	8	296,238	214,511
Brokerage fees		56,571	62,000
Audit fees		42,334	43,667
Publicity and investor relations fees		267,344	278,082
Insurance costs		45,000	50,000
Administrative expenses		229,240	177,145
Risk management expenses		100,000	60,000
Technical assistance for investee companies		41,260	35,000
Total operating expenses		**4,561,781**	**2,708,811**
Change in net assets attributable to shareholders		**22,631,780**	**18,748,643**
Earnings per share – basic and diluted	14	0.37	0.35

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

Statement of Changes in Equity

for the year ended 30 June 2014

	Share Capital USD	Reserve for own shares USD	Retained Earnings USD	Total USD
Balance at 1 July 2012	110,660,392	(176,302)	(40,988,061)	69,496,029
Total comprehensive income for the year				
Change in net assets attributable to shareholders	–	–	18,748,643	18,748,643
Total comprehensive income	**–**	**–**	**18,748,643**	**18,748,643**
Contributions and distributions				
Issuance of ordinary shares	304,598	–	–	304,598
Repurchase of own shares (note 5)	–	(1,259,873)	–	(1,259,873)
Warrants issuance cost	(20,875)	–	–	(20,875)
Total contributions and distributions	**283,723**	**(1,259,873)**	**–**	**(976,150)**
Balance at 30 June 2013	**110,944,115**	**(1,436,175)**	**(22,239,418)**	**87,268,522**
Balance at 1 July 2013	110,944,115	(1,436,175)	(22,239,418)	87,268,522
Total comprehensive income for the year				
Change in net assets attributable to shareholders	–	–	22,631,780	22,631,780
Total comprehensive income	**–**	**–**	**22,631,780**	**22,631,780**
Contributions and distributions				
Issuance of ordinary shares	15,189,736	–	–	15,189,736
Repurchase of own shares (note 5)	–	(4,597,450)	–	(4,597,450)
Warrants issuance cost	(5,895)	–	–	(5,895)
Total contributions and distributions	**15,183,841**	**(4,597,450)**	**–**	**10,586,391**
Balance at 30 June 2014	**126,127,956**	**(6,033,625)**	**392,362**	**120,486,693**

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

Statement of Cash Flows

for the year ended 30 June 2014

	Note	2014 USD	2013 USD
Cash flows from operating activities			
Change in net assets attributable to shareholders		22,631,780	18,748,643
Adjustments to reconcile change in net assets attributable to shareholders to net cash from operating activities:			
Dividend income		(4,087,013)	(4,043,206)
Net gain from equity securities at fair value through profit or loss		(23,123,195)	(17,445,739)
Purchase of investments		(38,903,628)	(15,961,424)
Proceeds from sale of investments		27,339,735	15,491,926
Net foreign exchange loss		16,647	31,491
Decrease in receivables on sale of investments		632,995	73,695
Increase/(Decrease) in accrued expenses		875,529	(98,483)
Dividends received		3,835,310	3,812,516
Net cash from operating activities		(10,781,840)	609,419
Cash flows from financing activities			
Issuance of ordinary shares		15,189,736	304,598
Repurchase of own shares	5	(4,597,450)	(1,259,873)
Warrants issuance cost		(5,895)	(20,875)
Net cash from/(used in) financing activities		10,586,391	(976,150)
Net decrease in cash and cash equivalents		(195,449)	(366,731)
Cash and cash equivalents at beginning of the year		2,671,910	3,070,132
Effect of exchange rate fluctuations on cash held		(16,647)	(31,491)
Cash and cash equivalents at end of the year		**2,459,814**	**2,671,910**

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

Notes to the Financial Statements

Year ended 30 June 2014

1. THE COMPANY

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

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

During the Annual General Meeting in September 2013 shareholders voted in favour of the continuance resolution, authorizing Vietnam Holding to operate in its current form through the 2016 General Meeting when a similar resolution will be put forward for shareholders approval.

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

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

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

2 PRINCIPAL ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

(b) Basis of preparation

The financial statements are presented in United States dollars ("USD"), which is the Company's functional currency. They are prepared on a fair value basis for financial assets and financial liabilities at fair value through profit or loss. Other assets and liabilities are stated at amortised cost.

The Company's shares were issued in USD and the listings of the shares on the AIM market of the London Stock Exchange and the Entry Standard of the Frankfurt Stock Exchange are in USD and Euro, respectively. The performance of the Company is measured and reported to the investors in USD, although the primary activity of the Company is to invest in the Vietnamese market. The Board considers the USD as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in USD, which is the Company's functional currency.

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

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

2 PRINCIPAL ACCOUNTING POLICIES (continued)

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. The Company is engaged in a single segment of business, being investment in Vietnam. The Board, as a whole, has been determined as constituting the chief operating decision maker of the Company. The key measure of performance used by the Board to assess the Company's performance and to allocate resources is the total return on the Company's net asset value ("NAV") calculated as per the prospectus. Therefore a reconciliation between the measure of NAV used by the Board and that contained in these financial statements has been provided in a footnote to the statement of financial position.

(c) Changes in accounting policies

Except for the changes below, the Company has consistently applied the accounting policies as set out in Note 2 (d) to (l) to all periods presented in these financial statements.

The Company has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 July 2013.

(a) IFRS 13 Fair Value Measurement;

In accordance with the transitional provisions of IFRS 13, the Company has applied the new definition of fair value, as set out in Note 2(e)(iv), prospectively.

As a result, the Company has changed the valuation approach for financial assets and financial liabilities measured at fair value for which a quoted price in an active market is available. Management concluded that last traded prices for such instruments are representative of fair value and generally to use last traded prices for such instruments. In 2013, such financial assets were measured at bid price and such financial liabilities at asking price. The change in accounting policy did not have a significant impact on the measurement of the Company's assets and liabilities.

The Company has included new disclosures in the financial statements, which are required under IFRS 13. These new disclosure requirements are not included in the comparative information.

However, to the extent that disclosures were required by other standards before the effective date of IFRS 13, the Company has provided the relevant comparative disclosures under those standards.

(d) Foreign currency translation

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

(e) Financial instruments

(i) Classification

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

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

Cash and cash equivalents are measured at amortised cost.

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

2 PRINCIPAL ACCOUNTING POLICIES (continued)

(ii) Recognition

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

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

(iii) Derecognition

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

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

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

(iv) Measurement

Policy applicable from 1 July 2013

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Company measures instruments quoted in an active market at a bid price.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Company recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

As at 30 June 2014, 1.2% (2013: 9.0%) of the valuations of the net assets of the Company were based on quotes obtained from brokers.

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

Policy applicable before 1 July 2013

'Fair value' is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date.

When available, then the Company measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as 'active' if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

2 PRINCIPAL ACCOUNTING POLICIES (continued)

If a market for a financial instrument is not active, then the Company establishes fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if they are available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses and option pricing models. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Company, incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument. The Company calibrates valuation techniques and tests them for validity using prices from observable current market transactions in the same instrument or based on other available observable market data.

Assets and long positions are measured at a bid price; liabilities and securities sold short are measured at an asking price.

(v) Gains and losses on subsequent measurement

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

(vi) Impairment

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

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

(vii) Cash and cash equivalents

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

(f) Offsetting

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

(g) Amounts due to/from brokers

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

(h) Share capital

Ordinary shares

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

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

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

2 PRINCIPAL ACCOUNTING POLICIES (continued)

(i) Taxation

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

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

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

At present, no income, profit, capital, or capital gain taxes are levied in the Cayman Islands, and accordingly, no provision for such taxes has been recorded by the Company in the accompanying financial statements. In the event that such taxes are levied, the Company has received an undertaking from the Governor in Cabinet of the Cayman Islands exempting it from all such taxes for a period of twenty years from 2 May 2006.

The Company is liable to Vietnamese tax of 0.1% (2013: 0.1%) on the sales proceeds of the onshore sale of equity investments. This is included in net gain/(loss) from equity securities at fair value through profit or loss.

(j) Interest income and expense

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

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

(k) Dividend income

Dividend income is recognised in profit or loss on the date on which the right to receive payment is established. For quoted equity securities, this is usually the ex-dividend date. For unquoted equity securities, this is usually the date on which the shareholders approve the payment of a dividend. Dividend income from equity securities designated as at fair value through profit or loss is recognised in profit or loss in a separate line item.

(l) Fee and commission expense

Fees and commission expenses are recognised in profit or loss as the related services are performed.

3 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

Financial assets of the Company include investments in securities, cash and cash equivalents and accrued income. Financial liabilities comprise payables on purchase of investments and accrued expenses. Accounting policies for financial assets and liabilities are set out in note 2.

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

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

Market risk

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

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

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

	2014		2013	
	Fair value in USD	% of net assets	Fair value in USD	% of net assets
Shares and similar investments – listed	117,131,478	97.22	76,026,001	87.12
Shares and similar investments – unlisted	1,394,749	1.16	7,913,006	9.07
	118,526,227	**98.38**	**83,939,007**	**96.19**

At 30 June 2014, a 5% reduction in the market value of the portfolio would have led to a reduction in NAV and profit or loss of USD5,926,311 (2013: USD4,196,950). A 5% increase in market value would have led to an equal and opposite effect on NAV and profit or loss.

Currency risk

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

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

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

As at 30 June 2014 the Company had the following foreign currency exposures:

	Fair value	
	2014 USD	2013 USD
Vietnamese Dong	120,036,280	85,981,766
Pound Sterling	11,144	176,749
Swiss Franc	13,350	40,784
Euro	997	947
	120,061,771	**86,200,226**

3 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

At 30 June 2014, a 5% reduction in the value of the Vietnamese Dong, Pound Sterling, Swiss Franc, Euro versus the US Dollar would have led to a reduction in NAV and profit or loss of USD6,001,814 (2013: USD4,299,085), USD557 (2013: USD8,837), USD668 (2013: USD2,039) and USD50 (2013: USD47) respectively. A 5% increase in value would have led to an equal and opposite effect.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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

Credit risk

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

At 30 June 2014, the following financial assets were exposed to credit risk (including settlement risk): cash and cash equivalents, accrued dividend, receivable from sale of investments and other receivables. The total amount of financial assets exposed to credit risk amounted to USD3,778,684 (2013: USD4,372,073).

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

Liquidity risk

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

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

4 OPERATING SEGMENTS

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

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

All of the Company's investments in securities at fair value are in Vietnam as at 30 June 2014 and 30 June 2013. All of the Company's investment income can be attributed to Vietnam for the years ended 30 June 2014 and 30 June 2013.

5 SHARE CAPITAL

Ordinary shares of USD1 each

The ordinary shares have been created pursuant to the Companies Law in the Cayman Islands. The Company was incorporated with an authorised share capital of USD100,000,000 divided into 100,000,000 ordinary shares of USD1 each. According to the Companies Law and articles of association, the Company may from time to time redeem all or any portion of the shares held by the shareholders upon giving notice of not less than 30 calendar days to the shareholders.

On 6 June 2006, the Board resolved that 56,250,000 ordinary shares would be allotted at a placing price of USD2 per ordinary share. The ISIN number of the ordinary shares is KYG9361X043.

On 23 September 2010, during its annual general meeting, the shareholders approved a Share Repurchase Programme. The approval were renewed on its annual general meetings on 2011, 2012 and 2013.

	2014 No. of shares	2013 No. of shares
Total shares issued and fully paid (after repurchases and cancellations) at beginning of the period	54,836,792	54,582,112
Shares issued upon exercise of warrants during the period	12,700,448	254,680
	67,537,240	54,836,792
Repurchased and reserved for own shares		
At beginning of the period	(1,306,381)	(165,000)
During the period	(3,508,834)	(1,141,381)
	(4,815,215)	(1,306,381)
Total outstanding ordinary shares with voting rights	**62,722,025**	**53,530,411**

As a result, as at 30 June 2014 the Company has 62,722,025 (2013: 53,530,411) ordinary shares with voting rights in issue (excluding the reserve for own shares), and 4,815,215 (2013: 1,306,381) are held as reserve for own shares.

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

The Company does not have any externally imposed capital requirements.

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

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

5 SHARE CAPITAL (Continued)

Warrants

On 21 May 2012, the Company issued a Prospectus for a bonus issue of warrants to shareholders pro rata, on the basis of one warrant for every three ordinary shares held. The exercise date of these warrants was initially on 13 December 2012 with an exercise price of USD1.196 per share. A total of 18,194,037 warrants were issued and were listed on AIM. Both Shareholders and Warrantholders gave their approval to a proposal of extension of the term of the warrants through the addition of two exercise dates, 25 April 2013 and 25 September 2013.

At the reporting date, all warrants were either exercised or expired and no warrants were outstanding (2013: 18,194,037).

On 25 September 2013 and 9 October 2013, 12,700,448 (2013: 221,750) shares were issued following the exercise of subscription rights by holders of the warrants and the remaining 5,238,909 unexercised warrants were lapsed.

6 NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

Reconciliation of net assets

The Company adopted IFRS 13 with effect from 1 July 2013. Under IFRS 13, the Company uses last traded market pricing to determine the fair values of financial assets and financial liabilities quoted in an active market.

For the year ended 30 June 2013, under IAS 39, the Company valued financial assets quoted in an active market at bid prices and financial liabilities quoted in an active market at ask prices. This created a presentation issue because, in accordance with the Company's prospectus, the redemption amounts of the ordinary shares are calculated using the net assets of the Company computed at the last traded prices of the underlying financial instruments.

The table below shows a reconciliation for 2013 of the net assets and net asset value per share between the amounts computed as per the Company's prospectus and the amounts computed in accordance with IFRS. No such reconciliation is required following the adoption of IFRS 13 because last traded prices are used to value financial assets and financial liabilities quoted in an active market and so no reconciliation amount arises.

	2014 USD	2013 USD
Net assets as per prospectus	120,486,693	88,198,156
Adjustment from last traded prices to bid-market prices	–	(929,634)
Net assets in accordance with IFRS	120,486,693	87,268,522

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

	2014 USD	2013 USD
Net gain from equity securities at fair value through profit or loss:		
Realised gain/(loss)	38,415	(7,217,354)
Adjustment to fair value of equity securities at fair value through profit or loss	23,084,780	24,663,093
	23,123,195	17,445,739

8 RELATED PARTY TRANSACTIONS

Investment management fees

During the period the Company's Shareholders approved an amendment to the Investment Management Agreement as detailed in the Company's circular dated 16 August 2013. Pursuant to the amended agreement the Investment Manager is entitled to receive a monthly management fee, paid in the manner set out as below:

- On the amount of the Net Asset Value of the Company up to and including USD100 million, one-twelfth of two per cent.;
- On the amount of the Net Asset Value of the Company above USD100 million up to and including USD150 million, one-twelfth of 1.75 per cent.; and
- On the amount of the Net Asset Value of the Company that exceeds USD150 million, one-twelfth of 1.50 per cent.

The total fees accruing to the Investment Manager for the year to 30 June 2014 were USD2,142,403 (2013: USD1,465,670) as a management fee.

Incentive fees

The Company will pay the Investment Manager an incentive fee equal to 15 per cent of the Excess Performance Amount each year, subject to certain criteria being met. Excess Performance Amount is calculated as follows:

Excess Performance Amount = (Adjusted NAV per share – Initial High Water Mark) x Weighted Average number of shares.

The initial high water mark is calculated as the NAV as at 30 September 2013 increased by 8%. After the initial accounting period (i.e. 30 June 2014), the initial high water mark will be increased by 5% per annum on a compound basis.

The fee is calculated and payable as set out in the Investment Management Agreement Side Letter dated 11 September 2013.

However, the maximum incentive fee that can be earned by and paid to the investment manager in respect of any accounting period shall be equal to three per cent of the NAV of the Company at the end of the relevant accounting period.

	2014 USD	2013 USD
Incentive fee	954,449	–

Directors' fees and expenses

The Board determines the fees payable to each Director, subject to a maximum aggregate amount of USD350,000 per annum being paid to the Board as a whole. The Company also pays reasonable expenses incurred by the Directors in the conduct of the Company's business including travel and other expenses. The Company pays for directors and officers liability insurance coverage.

The charges for the year for the Directors fees were USD170,750 (2013: USD159,500) and expenses were USD125,488 (2013: USD55,011).

Directors' ownership of shares and warrants

As at 30 June 2014, three Directors, Min-Hwa Hu Kupfer, Nguyen Quoc Khanh and Rolf Dubs held 36,667 (2013: 30,000), 10,000 (2013: 10,000) and 30,000 (2013: 20,000) ordinary shares of the Company respectively, representing 0.06% (2013: 0.06%), 0.02% (2013: 0.02%) and 0.05% (2013: 0.04%) of the total shares outstanding.

During the year, Min-Hwa Hu Kupfer and Rolf Dubs exercised 6,667 (2013: nil) and 10,000 (2013: nil) warrants to subscribe ordinary shares, amounting to 16,667 (2013: nil) and 0.13% of the total warrants issued (2013: nil) respectively. No warrants were outstanding as at 30 June 2014.

9 CUSTODIAN FEES

Custodian fees are charged at a minimum of USD12,000 per annum and received as a fee of 0.08% on the assets under administration ("AUA") per annum. Custodian fees comprise safekeeping fees, transaction fees, money transfer fees and other fees. Safekeeping of unlisted securities up to 20 securities is charged at USD12,000 per annum. Transaction fees, money transfers fees and other fees are charged on a transaction basis.

The charges for the year for the Custodian fees were USD141,827 (2013: USD76,159).

10 ADMINISTRATIVE AND ACCOUNTING FEES

The administrator receives a fee of 0.07% per annum for assets under administration ("AUA") less than USD100,000,000; or 0.06% per annum for AUA greater than USD100,000,000 calculated on the basis of the net assets of the Company, subject to an annual minimum amount of USD5,500 per month.

The charges for the year for the Administration and Accounting fees were USD95,281 (2013: USD83,250).

11 CONTROLLING PARTY

The Directors are not aware of any ultimate controlling party as at 30 June 2014 or 30 June 2013.

12 FAIR VALUE INFORMATION

For certain of the Company's financial instruments not carried at fair value, such as cash and cash equivalents, accrued dividends, other receivables, receivables/payable upon sales/purchase of investments and accrued expenses, the amounts approximate fair value due to the immediate or short term nature of these financial instruments.

Other financial instruments are measured at fair value on the statement of comprehensive income.

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

Fair value hierarchy

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

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

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

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

12 FAIR VALUE INFORMATION (Continued)

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position. All fair value measurements below are recurring.

	Level 1 USD	Level 2 USD	Level 3 USD	Level 4 USD
2014				
Financial assets designated at fair value upon initial recognition				
Equity investments	117,131,478	–	1,394,749	118,526,227
2013				
Financial assets designated at fair value upon initial recognition				
Equity investments	76,026,001	–	7,913,006	83,939,007

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

Although the Company believes that its estimates of fair value are appropriate, the use of different assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, if the reasonable possible alternative assumptions were increased/decreased by 10%, the impact on profit/(loss) would be USD139,475 (2013: USD791,301).

Level 3 reconciliation

Financial assets designated at fair value through profit or loss	2014 USD	2013 USD
Balance at 1 July	7,913,006	8,695,443
Sales	(10,192,834)	–
Purchases	1,417,353	–
Total gains and losses recognised in profit or loss *	2,257,224	(782,437)
Balance at 30 June	**1,394,749**	**7,913,006**

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

13 CLASSFICATIONS AND FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

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

	Note	Designated as at fair value USD	Loans and receivables USD	Other liabilities USD	Total carrying amount USD
2014					
Cash and cash equivalents		–	2,459,814	–	2,459,814
Investments in securities at fair value	3	118,526,227	–	–	118,526,227
Accrued dividends		–	625,811	–	625,811
Receivables from sale of investments		–	693,059	–	693,059
		118,526,227	3,778,684	–	122,304,911
Payable on purchase of investments		–	–	605,360	605,360
Accrued expenses		–	–	1,212,858	1,212,858
		–	–	1,818,218	1,818,218
2013					
Cash and cash equivalents		–	2,671,910	–	2,671,910
Investments in securities at fair value	3	83,939,007	–	–	83,939,007
Accrued dividends		–	374,108	–	374,108
Receivables from sale of investments		–	1,326,054	–	1,326,054
		83,939,007	4,372,072	–	88,311,079
Payable on purchase of investments		–	–	705,228	705,228
Accrued expenses		–	–	337,329	337,329
		–	–	1,042,557	1,042,557

14 EARNINGS PER SHARE

The calculation of earnings per share at 30 June 2014 was based on the change in net assets attributable to ordinary shareholders of USD22,631,780 (2013: USD18,748,643) and the weighted average number of shares outstanding of 60,599,915 (2013: 53,894,886).

15 NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2013, and have not been applied in preparing these financial statements. Those that may be relevant to the Company are set out below. The Company does not plan to adopt these standards early.

(a) Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

The amendments to IAS 32 clarify the offsetting criteria in IAS 32 by explaining when an entity currently has a legally enforceable right to set-off and when gross settlement is considered to be equivalent to net settlement. The amendments are effective for annual periods beginning on or after 1 July 2014 and interim periods within those annual periods. Early application is permitted. The standard is not expected to have a material impact on the Company's financial statements.

Corporate Information

VIETNAM HOLDING BOARD OF DIRECTORS

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

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

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

INVESTMENT MANAGER – VIETNAM HOLDING ASSET MANAGEMENT

Board of Directors

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

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

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

Vu Quang Thinh
Board Member
Mr. Thinh joined VNHAM in 2011 as CEO after more than 20 years in senior level positions in investment management and financial consulting with both major international organizations and private companies. In 2013 he resigned from his position as VNHAM Vietnam's CEO and was appointed to the Board of VNHAM. Before joining VNHAM he served as Chief Executive Officer of SGI Capital, an investment management firm as part of the Saigon Invest Group. Previously he was managing partner of MCG Management Consulting, which he founded and led through numerous high-level assignments for both global and local companies. Prior to founding MCG, he was head of the management consulting practice of KPMG in Vietnam where he did extensive restructuring work with several State Owned Enterprises. Mr. Thinh holds an MBA from Washington State University, and a BS degree in Mathematical Economics from the Hanoi National Economic University.

Corporate Information

ADVISORY COUNCIL

Dr. Le Dang Doanh

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

Dr. Cao Si Kiem

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

Dr. Le Thi Bang Tam

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

Markus Winkler

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

Juerg Vontobel

Juerg Vontobel, founder of both VietNam Holding Ltd. (VNH) and its asset manager (VNHAM), lived and worked in Vietnam from 1992 to 1996. As the General Manager of ING Bank, he built one of the leading foreign banks in Vietnam. In 1996, Euromoney nominated ING as the best foreign bank in Vietnam. Mr. Vontobel's previous banking career included the position of General Manager of ING Bank in Geneva and 16 years with a major U.S. bank, including three years as South Asia Regional Manager in Singapore. He became involved in Swiss government projects in Vietnam while serving as Managing Director of a private banking institution in Zurich. In 2004, he founded a family investment office in Zurich and became a Strategic Partner to SECO (Swiss State Secretariat for Economic Affairs). In this role he managed financial sector development programs in several countries, many in Vietnam's banking sector and security industry. In June 2006, Mr. Vontobel launched VNH as a listed investment company focused on Vietnamese equities, with a predominantly Swiss investor base. Coincident with founding of VNH, Mr. Vontobel established the VNH Foundation as a platform for philanthropic activities in Vietnam and neighbouring countries. It is funded by allocations from the performance fees paid to VietNam Holding Asset Management, and increasingly also by private donations. He remains a Senior Advisor to the fund, its manager and the foundation.

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Min-Hwa Hu Kupfer
Professor Dr. Rolf Dubs
Nguyen Quoc Khanh

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PRI

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

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