Interim Report
as of 31 December 2013

VIETNAM HOLDING

In this Interim Report we review the urbanization trend in Vietnam, and its implications for the corporate sector and the socio-economic fundamentals of the country. The working, spending and other habits of a new and rapidly growing portion of the population are creating new opportunities for a large number of businesses.

They also bring new challenges for policy-makers in areas such as urban planning and investment, local governance, housing and infrastructure.

PHOTOGRAPHS: Front Cover: Skyline of Ho Chi Minh City, Vietnam's largest city with over 9 million inhabitants. The city's population is expected to grow to 14 million by 2025.

Below: The newly built Dragon Bridge in Da Nang, a major port city in central Vietnam with the country's highest urbanization ratio.

For further information or general queries please **contact us:**
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Highlights

2013 marked another year of clear outperformance for both VietNam Holding's (VNH) net asset value (NAV) and share price against the Vietnam Index (VNI).

The VNH portfolio value continued to climb based on its investment manager's value investment approach and portfolio rebalancing efforts while the additional capital from the warrants exercise was successfully deployed on schedule.

Performance

1 January to 31 December 2013

41.56%[1]
VNH's NAV per share

40.16%
VNH's share price

20.50%
VNI US$-adjusted

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

Chairperson's Statement

I am pleased to report that in a challenging but promising economic environment, our fund achieved several important milestones in portfolio structure and performance. This resulted from carefully planned and well-executed responses to an improving marketplace.

Although 2013 was a challenging year for the Vietnamese economy, a growing shift to a more sustainable development policy is beginning to reap rewards, and bodes well for 2014. This was reflected in the performance of Vietnam's main stock market index, up 22% in 2013, well ahead of its peers across Southeast Asia. It was reflected as well in the impressive performance of our fund as noted below, and detailed in the Investment Manager's Report that follows.

Vietnam's GDP grew by 5.4% in 2013, up from 5.1% in 2012, and just below the government's revised target of 5.5%. Quarter by quarter, Vietnam's economic growth rate in 2013 improved from 4.8% in Q1 to 6.0% in Q4, suggesting welcome momentum in the country's economic growth.

> "Although 2013 was a challenging year for the Vietnamese economy, a growing shift to a more sustainable development policy is beginning to reap rewards, and bodes well for 2014."

HSBC's forward-looking Purchasing Manager's Index also ended the year in positive territory, at 51.8 for December.

Foreign Direct Investment (FDI) inflow approvals exceeded expectations in 2013, at US$21.6bn, well ahead of the government target of US$16bn, and US$6.7bn higher than in 2012. Actual FDI disbursements in 2013 were estimated to be US$11.5bn, slightly above the US$11bn target, and US$1bn greater than in 2012.

> "Foreign Direct Investment (FDI) inflow approvals exceeded expectations in 2013, at US$21.6bn, well ahead of the government target of US$16bn."

The latter half of 2013 also saw a number of milestones for Vietnam. One was export revenue from mobile phones and accessories (US$21.5bn) exceeding those for garment exports (US$17.9bn) for the first time. Due to surging machinery imports Vietnam recorded a flat trade balance for 2013 after the US$750mn surplus of 2012.

The VND depreciated by just 1% in 2013, to end the year at 21,075 to the US dollar. Even more significantly, inflation was brought back under control in 2013, finishing the year at just over 6% YoY.

While the banking and property sectors remain weak, tangible policies are being enacted to revive them both, including the establishment of Vietnam Asset Management Company to acquire NPLs from commercial banks. Meanwhile, all large state-owned enterprises have been instructed to divest their non-core businesses in a renewed attempt to streamline and restructure the SOE sector. Another milestone was the population passing the 90mn mark, of which 12mn earn more than US$700 per month. Vietnam's average annual per capita income is now estimated to be US$1,550. The number of urban dwellers, in what was once a largely agrarian economy, passed the 33mn mark in 2013.

Later in this Interim Report we review the urbanization trend in Vietnam, and its implications for the corporate sector and the socio-economic fundamentals of the country. The working, spending and other habits of this rapidly growing portion of the total population are creating new opportunities for a large number of businesses. They also bring new challenges for policy-makers in areas such as urban planning and investment, local governance, housing and infrastructure. Responding well to this new economy, the net asset value (NAV) performance of VietNam Holding has been noteworthy, ending 2013 at US$1.744 per share. Adjusted for the dilution from past warrant exercises, the NAV per share rose by 41.56% in 2013, compared with the 20.50% rise in the USD-adjusted VNI benchmark equity index. For the second half of 2013 (the reporting period of this Interim Report), the company's NAV per share rose by 13.25%, also well ahead of the 5.43% increase in the USD-adjusted VNI.

We attribute this out-performance to our consistent investment approach which remains anchored in: i) a relentless pursuit of hidden value in individual stocks; ii) maintenance of a strong portfolio management discipline; and iii) the mainstreaming of ESG principles in all of our activities. We also continue to focus on agri-business and growing domestic consumption as two investment themes that we firmly believe display some of the most promising growth potential in Vietnam.

VietNam Holding's share price increased 40.16% in calendar year 2013 but just 3.43% in the second half of 2013. We attribute this to the outflow of foreign investments from Asian emerging markets created pressure on the shares of all Vietnam equity funds. A total of 3.33 million VNH shares was bought back from the secondary market in 2013 as the company continued to carry out its share repurchase program. The 52-week average NAV discount for the company widened from 17.15% at year-end 2012 to 19.98% at the end of 2013.

September was an eventful month in VietNam Holding's corporate life. At the Company's Annual General Meeting, shareholders voted in favor of the continuation resolution, authorizing VietNam Holding to operate in its current form through to the 2016 General Meeting when a similar resolution will be put forward for shareholder approval.

Also in September, the company enacted the final exercise of 18.2 million outstanding VNH warrants. Combined with previous exercises that took place in December 2012 and April 2013, the entire warrant issuance raised US$15.5mn in capital with 5.2 million unexercised warrants lapsing. The additional

> "The entire warrant issuance raised US$15.5mn in capital."

cost of extending the warrant exercise deadline date from December 2012 to September 2013 was US$75,000. At 31 December 2013 the Company's share capital consisted of 63,363,680 Ordinary Shares and 4,173,560 Treasury Shares.
After months of careful planning and canvassing of the market for new investment targets, the management team deployed the proceeds from the warrant exercise on schedule, with only 2.5% of total NAV in cash at 31 December 2013. As mentioned, a more in-depth review of the investment portfolio and its performance is included in the Investment Manager's Report.

On behalf of VietNam Holding's Board of Directors, I welcome our new investors and thank them for investing in the Fund.

We also extend our sincere thanks to all shareholders, the investment manager, VietNam Holding Asset Management Ltd, and our Advisory Council members for their steadfast commitment and contribution to the first seven years of development of our company. We continue to believe that VietNam Holding's portfolio is well constructed on the basis of compelling investment convictions and valuations, and offers our long term investors highly desirable exposure to Vietnamese equities in 2014 and beyond.

Min-Hwa Hu Kupfer, Chairperson
VietNam Holding Limited
January 27, 2014

PHOTOGRAPH: As in all major Vietnamese cities, this cyclist in Hanoi is slowly proving to be a relic of the past and usually finds itself outnumbered by motorbikes as a result of the increased spending power throughout the income groups.

Investment Manager's Report

During the reporting period, the fund's investment manager performed well in an improving market. As highlighted in the Chairperson's Statement, Vietnam's main stock market index, the VNI, has significantly outperformed its peers across Southeast Asia, as shown in the above chart.

Unlike in prior years when market gains were largely driven by foreign inflow, the Vietnam markets in 2013 were primarily led by domestic investors. Foreign investment inflow in 2007 was the equivalent of 127 trading days' volume. In 2010 it was the equivalent of 18 days. Foreign investment continues to play an important role in Vietnam's growing market, but the pendulum of momentum has swung to the local investor. Last year the foreigner's investments on HoSE stock exchange amounted to only 4 trading days'.

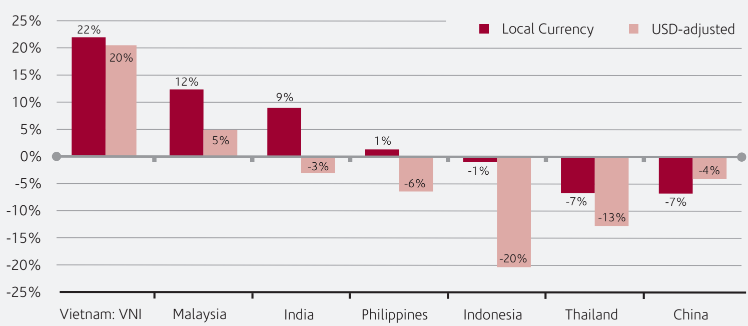
According to LCF Rothschild, VietNam Holding's portfolio produced a commendable 41.1% return in 2013.

> "The Vietnam markets in 2013 were primarily led by domestic investors."

It therefore not only outperformed the benchmark VNI by over 20%, but also ranked first among all of the Vietnam equity funds tracked by Rothschild. We welcome this demonstration of the validity of our investment philosophy, which continues to feature the value investment approach, sustainable investment principles, and a focus on the main themes driving the Vietnamese economy.

The addition to the Portfolio in October 2013 of USD 15.5 million - resulting from the exercise of the warrants issued in 2012 - allowed VNH to take advantage of the upward trend in the Vietnamese market during the last quarter of 2013.
As of year-end 2013 VietNam Holding's portfolio consisted of seven companies among the Ho Chi Minh City Stock

2013 Regional Stock Market Comparison



Source: Bloomberg.

Exchange's (HoSE) large caps, making up 43% of VNH's total portfolio. We define "large caps" as those 30 companies that make up 80% of the HoSE free float market capitalization. A total of 271 HoSE-listed mid-and small caps make up the remaining 20% free float market capitalization.
By contrast, 16 of those smaller companies make up 57% of the VNH's portfolio, further emphasizing its mid- and small-cap centric approach in 2013.

The table below shows the markedly lower valuations of VNH's portfolio compared to the overall market's for both the large cap as well as the mid- and small cap segments reflecting our value investment approach.

HCMC Stock Exchange Free Float P/E's

	Large Caps	SMEs	Total Market
31/12 /2012	13.70x	10.23x	12.84x
31/12 /2013	13.13x	14.27x	13.34x

VNH Portfolio P/E's

	Large Caps	SMEs	Total Market
31/12 /2012	9.67x	5.41x	6.69x
31/12 /2013	10.60x	9.34x	9.85x

Source: Bloomberg, VNHAM.

By year-end 2013, the market's valuation gap between large and small/mid-caps observed throughout 2013 had been reversed. This was the result of the market valuations of the SMEs having risen by 39.5%. By comparison, VNH's small- and mid-cap portfolio companies collectively rose by a considerably higher 72%.
Likewise, VNH's large caps increased by 9.6%, while the HoSE large cap valuations contracted by 4.2% during the year.
VNH's market outperformance was spread across its entire portfolio. Yet, at the end of 2013, both segments of VNH's portfolio still showed valuations substantially lower than those of its market counterparts.
This testifies to VNHAM's consistency in its value investment approach and portfolio rebalancing efforts.

"By year-end 2013, the market's valuation gap between large and small/mid-caps observed throughout 2013 had been reversed."

During the current interim reporting period (July 1 - December 31, 2013), four new investment positions were added to the equities portfolio, including Fecon Foundation Engineering and Underground Construction, a firm specialized in foundation work and infrastructure, and Binh Chanh Corporation, a local developer of affordable housing. Both companies are well positioned to capture the growth potential of the urbanization trend, as presented in the next chapter of this Interim Report.

"VNH's market outperformance was spread across its entire portfolio."

VNHAM continued to translate its ESG policy into tangible actions. We work proactively with investee companies to develop solutions to the ESG issues that are most relevant to them. VNHAM has regularly put forward AGM resolutions and cooperated with like-minded investors, and our investment team has offered welcome constructive suggestions on several occasions.

As part of their active Director Engagement Policy, the board members of VNH and VNHAM visited a total of 32 companies in the last twelve months. In 2013, VNH fully divested two of its investee companies, after we learned from the "Rubber Barons" report by Global Witness that both companies were accused of extensive violations of ESG standards in their rubber plantation expansions in Cambodia.
Our outlook on the stock market for 2014 continues to be positive, based on the following catalysts:

- **Fundamental growth of the economy** thanks to (i) the continued strong inflow of FDI, largely into manufacturing; (ii) sturdy budget spending in infrastructure development; (iii) a cyclical pickup in market demand in parallel with a corresponding recovery in manufacturing production; and (iv) the Trans-Pacific Partnership (TPP) agreement finalization, which is likely to benefit several specific industries and support general market sentiment.

- **Stabilized macro conditions** resulting from (i) positive balance of payment and stable currency as a result of strong FDI inflows and remittances; (ii) inflation projected at less than 8%, which is considered sustainable in the current development stage of the Vietnamese economy; and (iii) continuation of the government's slow but steady reform efforts in expanding bank loan restructuring, implementing SOE reform, and allocating the approved US$1.4bn package to support the real estate sector.

- **Supportive measures benefiting the stock market** such as (i) the Foreign Ownership Investment Limit selective increase from the current 49%; (ii) divestment by the state of its stakes in already equitized SOEs and the IPOs of large state owned groups; (iii) new regulations on local open ended funds; and (iv) potential M&A activities in the banking sector.

We thank our team led by our CEO in Vietnam Mr. Vu Quang Thinh for their outstanding job in rebalancing and actively managing the VNH portfolio, which led to our noteworthy performance. We know that our colleagues in Vietnam and Zurich will continue in 2014 to dedicate hard work and their many skills to make the VNH shareholders proud of their Vietnam investment and the fund through which they have chosen to channel it.

Jean-Christophe Ganz, Chairman
VietNam Holding Asset Management Limited
January 27, 2014

PHOTOGRAPH: Bai Chay Bridge near Ha Long Bay. The Vietnamese government is planning to increase spending on road infrastructure to US$4bn in 2014, an increase of 28.4% compared to 2013.

Urbanization Report

The Trend

Once a largely agrarian-based economy, Vietnam is increasingly becoming urbanized. Roughly 33.5mn of the country's 90mn citizens currently reside in urban areas, and the numbers are expected to grow. The government estimates that just 16 large cities are presently home to roughly half of all Vietnam urbanites, and by 2015, 35mn of the population will reside in urban areas. By 2025, roughly half the country's population, or about 52mn people, will live in the cities.

"By 2025, roughly half the country's population, or about 52mn people, will live in the cities."

Not only is the number of urban dwellers in Vietnam growing, but so is their aggregate spending power. A December 2013 report by the Boston Consulting Group forecast that the size of Vietnam's middle and affluent class (anyone with a monthly income of US$190 or more) will grow from about 12mn at present to 33mn by 2020; that is roughly two-thirds the size of the same class in Thailand. By 2020, the average annual per capita income in Vietnam will be US$3,400, up from around US$1,550 today. In addition, the number of urban centers is also burgeoning, particularly in areas where manufacturing and job growth is strongest, such as Thai Nguyen and Bac Ninh provinces in the north, and Dong Nai and Binh Duong in the south. In some cases, in a bid to reduce congestion and pollution, municipal governments are actively encouraging domestic firms to relocate out of well-established urban areas, to new industrial zones or satellite cities. In other cases, foreign direct investors are seeking to locate their projects in those provinces offering adequate supplies of land, incentives and a conducive, enabling environment. Numerous Japanese and South Korean investors, for example, have erected manufacturing plants in the provinces surrounding Hanoi.

As a consequence, the main urban centers of today – such as Hanoi, Ho Chi Minh City, Danang, Haiphong and Can Tho – are gradually being joined by a second generation of substantial urban locations. Businesses wishing to reach Vietnam's increasingly affluent and growing middle class will be forced to develop more extensive distribution and sales networks.

"The main urban centers of today are gradually being joined by a second generation of substantial urban locations."

The Opportunities...

Such changes will bring a spectrum of new business opportunities. In the domestic consumer space, for example, the shopping practices of Vietnam's urban population are changing. More and more urban consumers are shifting away from conventional 'wet markets' for all their grocery needs, and moving towards supermarkets, like METRO or Big C, and the growing number of convenience stores. In response to these evolving shopping habits, the larger stores are educating their customers on the merits of buying food that is safely grown, packaged, transported, stored and retailed according to international quality standards. Brand power and awareness are also on the rise, with more affluent consumers willing to pay a premium for higher quality products.

Increased demand for organic and traceable food results from a growing awareness of the need for produce safety, after a number of recent scares from homegrown and imported items. Vietnam's army of small-scale farmers is being obliged to cut back on the use of pesticides and other additives, as urban consumers become savvier, and larger firms seek to establish popular brands. This also bodes well for Vietnam's agricultural exports, which have tended to be of a lower quality and therefore commanded lower prices on the international market. But rising domestic consumer quality expectations, which are met by local producers, will provide a platform on which Vietnam commodity exports can be improved, and export earnings increased.

We are already seeing an increase in organic, FairTrade and Rainforest Alliance produce, for example.

The urbanization trend will undoubtedly serve to expand further the construction and property sector in Vietnam, notwithstanding the recent travails of numerous firms in this part of the market. Whether it be high-rise apartments and office buildings, housing complexes, factories or industrial zones, the demand will be significant. A mix of private, public and overseas development funding will finance large parts of this, and meet the urgent investments needed in infrastructure and utilities. For example, the first public-private partnership (PPP) road project in the country has recently been announced, with partial World Bank funding. The growing number of urban centers in Vietnam, and their increasing size, will place significant demands on road and rail networks, inland and coastal ports, public transport, potable water, waste treatment, power generation, and telecommunications, among others. Recognizing this increasing pressure, the Vietnamese government is planning to increase the spending on road infrastructure to US$4bn in 2014, an increase of 28.4% compared to 2013. On top of that, the government raised the 2014 budget deficit from 4.8% of GDP in 2013 to 5.3% in 2014 (US$9.9bn), of which most will be invested in infrastructure projects, according to the Prime Minister.

> “The Vietnamese government is planning to increase the spending on road infrastructure to US$4bn in 2014, an increase of 28.4% compared to 2013.”

And the Challenges...

While all of the above portend significant business opportunities, they also come with a range of challenges for Vietnam's policy-makers and urban planners. Beyond the large public expenditure needs of such a transformation, there are considerable environmental hurdles to be overcome. Rising sea levels as a direct result of climate change are already a very real problem for Vietnam, as evidenced by the flooding seen across numerous districts of Ho Chi Minh City in recent months. In 2013 Vietnam is reported to have experienced the harshest weather conditions in five decades with record numbers of storms hitting the country. Vietnam's cities of tomorrow will need to contend with such climate change-driven problems, as well as the environmental pollution that the cities themselves will inevitably generate.

> "Vietnam's cities of tomorrow will need to contend with climate change-driven problems, as well as the environmental pollution that the cities themselves will inevitably generate."

Increased urbanization is also bringing about implications for the remaining rural areas of Vietnam. Intensifying pressure being placed on the optimal use of scarce land has been a growing problem for policy-makers, and a source of mounting social tension in several provinces. Land once protected for small-scale farming is steadily being re-zoned and converted by local governments into industrial or residential use, sometimes using opaque procedures and heavy-handed practices. That in turn is prompting some rural citizens to abandon farming altogether, and instead head for urban areas in search of salaried employment. Gradual mechanization of agriculture will also drive some migration away from rural areas in search of jobs in other more promising sectors.

The migration of so many people from rural to urban areas also places added demands on local services, such as low-cost housing, schools and hospitals, that are already over-stretched and in some cases poorly governed. Private institutions are being developed to meet some of the demand from the more affluent middle class urbanites, but these will not be able to cater for most citizens. City authorities will have to develop innovative new ways of funding, constructing, maintaining and operating public investments and services. This in turn may necessitate changes in local governance structures and procedures, as at present they must largely conform to a template that was essentially designed for semi-rural provinces. One of the most innovative -- and controversial -- cities in this regard is Danang. Here, the local government deviated from standard procedures used in land sales as a means to finance a highly ambitious public investment plan, although some critics have questioned the sustainability of this model. The opportunities in this new economic scenario for the enlightened investor will be numerous. We will pursue them vigorously.

PHOTOGRAPH: A World Bank report states that, due to its long coastline Vietnam, especially the Mekong Delta (pictured), is heavily exposed to weather risks arising from global climate change.

Balance Sheet

as at December 31, 2013

	Note	Unaudited As at 31.12.13 USD	Unaudited As at 31.12.12 USD	Audited As at 30.06.13 USD
Assets				
Cash and cash equivalents		2,965,135	3,751,577	2,671,910
Investments in securities at fair value	3	107,745,708	67,505,788	83,939,007
Accrued interest dividends		121,709	44,486	374,108
Receivable from sale of investment		-	154,179	1,326,054
Other receivable	5	22,500	25,000	-
Total assets		**110,855,052**	**71,481,030**	**88,311,079**
Equity				
Share capital		121,028,708	109,844,434	109,507,940
Retained earrings		(10,529,955)	(38,881,031)	(22,239,418)
Total equity		**110,498,753**	**70,963,403**	**87,268,522**
Liabilities				
Payable on purchase of investment		156,057	141,905	705,228
Accrued expenses		200,242	297,712	337,329
Other liabilities		-	78,010	-
Total liabilities		**356,299**	**517,627**	**1,042,557**
Total equity and liabilities		**110,855,052**	**71,481,030**	**88,311,079**

The financial statements on pages 14 to 32 were approved by the Board of Directors on January 27, 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 notes on pages 18 to 32 form an integral part of these financial statements.

Statement of Comprehensive Income

for the 6 month period from July 1, 2013 to December 31, 2013

	Notes	Unaudited 01.07.13 – 31.12.13 USD	Unaudited 01.07.12 – 31.12.12 USD	Audited 01.07.12 – 30.06.13 USD
Income				
Dividend income from equity securities designated at fair value through profit or loss		1,669,965	1,913,838	4,043,206
Net gain from equity securities at fair value through profit or loss	7	11,796,279	1,516,814	17,445,739
Net foreign exchange (loss)/gain	2	(8,655)	17,039	(31,491)
Net investment income		**13,457,589**	**3,447,691**	**21,457,454**
Expenses				
Investment Management fee	8	957,845	684,018	1,465,670
Advisory fees		75,000	69,000	163,327
Accounting fees	10	43,584	43,500	83,250
Custodian fee	9	87,719	53,290	76,159
Director fees and expenses	8	135,000	125,000	214,511
Brokerage fees		40,000	31,000	62,000
Audit fees		21,334	19,667	43,667
Publicity and investor relations fees		157,500	127,929	278,082
Insurance fees		22,500	25,000	50,000
Administration expenses		107,644	93,328	177,145
Risk management expenses		75,000	51,429	60,000
Technical assistance		25,000	17,500	35,000
Total operating expenses		**1,748,126**	**1,340,661**	**2,708,811**
Change in net assets attributable to shareholders		**11,709,463**	**2,107,030**	**18,748,643**

The notes on pages 18 to 32 form an integral part of these financial statements.

Statement of Changes in Equity

for the six month period from July 1, 2013 to December 31, 2013

	Share Capital USD	Reserve for own shares USD	Retained Earnings USD	Total USD
Balance at July 1, 2012	110,660,392	(176,302)	(40,988,061)	69,496,029
Repurchase of own shares	(679,040)	-	-	(679,040)
Warrants issuance cost	39,384	-	-	39,384
Total comprehensive income for the period				
Profit or loss	-	-	2,107,030	2,107,030
Redemption of share during the period	(965,429)	-	-	(965,429)
Balance at December 31, 2012	**110,020,736**	**(176,302)**	**(38,881,031)**	**70,963,403**
Balance at July 1, 2013	110,944,115	(1,436,175)	(22,239,418)	87,268,522
Issuance of ordinary shares	15,189,736	-	-	15,189,736
Repurchase of own shares	-	(3,668,968)	-	(3,668,968)
Warrants issuance cost	-	-	-	-
Total comprehensive income for the period				
Profit or loss	-	-	11,709,463	11,709,463
Balance at December 31, 2013	**126,133,851**	**(5,105,143)**	**(10,529,955)**	**110,498,753**

The notes on pages 18 to 32 form an integral part of these financial statements.

Statement of Cash Flows

for the 6 month period from July 1, 2013 to December 31, 2013

	Unaudited 01.07.13 – 31.12.13 USD	Unaudited 01.07.12 – 31.12.12 USD	Audited 01.07.12 – 30.06.13 USD
Cash flows from operating activities			
Change in net assets attributable to shareholders	11,709,463	2,107,030	18,748,643
Adjustments for: Dividend income	(1,669,965)	(1,913,838)	(4,043,206)
Net gain from equity securities at fair value through profit or loss	(11,796,279)	(1,516,814)	(17,445,739)
Purchase of investments	(24,429,393)	(5,985,682)	(15,961,424)
Proceeds from sale of investments	11,869,800	6,783,208	15,491,926
Unrealised foreign currency loss	8,655	(17,039)	31,491
Decrease/(Increase) in other receivables	1,303,554	(138,100)	73,695
(Decrease)/Increase in accrued expenses	(137,087)	(27,474)	(98,483)
Dividends received	1,922,364	2,012,770	3,812,516
Net cash from / (used in) operating activities	**(11,218,888)**	**1,304,062**	**609,419**
Cash flows from financing activities			
Issuance of ordinary shares	15,189,736	-	304,598
Payment for buy-back of shares	-	(639,656)	-
Repurchase of own shares	(3,668,968)	-	(1,259,873)
Warrants issuance cost	-	-	(20,875)
Net cash from financing activities	**11,520,768**	**(639,656)**	**(976,150)**
Net increase/(decrease) in cash and cash equivalents	**301,880**	**664,406**	**(366,731)**
Cash and cash equivalents at the beginning of the period	2,671,910	3,070,132	3,070,132
Effect of exchange rate fluctuations on cash held	(8,655)	17,039	(31,491)
Cash and cash equivalents at the end of the period	**2,965,135**	**3,751,577**	**2,671,910**

The notes on pages 18 to 32 form an integral part of these financial statements.

Notes to the Financial Statements

1 THE COMPANY

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

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

During the Annual General Meeting in September 2013 shareholders voted in favor of the continuation resolution, authorizing VietNam Holding to operate in its current form through the 2016 General Meeting when a similar resolution will be put forward for shareholder 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

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

(b) Basis of preparation

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

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

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

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

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

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

(c) Foreign currency translation

Transactions in foreign currencies other than the functional currency are translated at the rate ruling on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated to USD at the rates ruling on the year-end date. Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are included in the profit or loss. Foreign currency exchange differences relating to financial instruments held-for-trading are included in the realised and unrealised gains and losses

Notes to the Financial Statements

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 profit or loss.

(d) Financial instruments

(i) Classification

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

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

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

Cash and cash equivalents are valued at amortised cost.

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

(ii) Recognition

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

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

(iii) Derecognition

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

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

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

(iv) Measurement

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

Valuation

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

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

As at 31 December 2013, 7% (31.12.12: 11%) of the net assets of the Company was based on quotes obtained from brokers.

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

(v) Gains and losses on subsequent measurement

Gains and losses arising from a change in the fair value of financial instruments are recognised in profit or loss.

(vi) Impairment

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

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

(vii) Specific instruments

Cash and cash equivalents

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

Notes to the Financial Statements

(e) Interest income and expense
Interest income and expense is recognised in the profit or loss using the effective rate method.

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

(f) Formation expenses
Costs attributable to the establishment of the Company have been expensed in full.

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

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

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

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

(j) Adoption of new and revised standards
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. None of these are expected to have significant effect on the measurement of the amounts recognised in the financial statements of the Company.

IFRS 13 – Fair Value Measurement

Effective for the Company's financial statements for the year ending 30 June 2014. FRS 13 replaces the fair value measurement guidance spread throughout various IFRS's with a single source.

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

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

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

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

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

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

3 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

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

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

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

Notes to the Financial Statements

Market risk

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

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

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

	31.12.13		31.12.12		30.06.13	
Description	Fair Value in USD	% of net assets	Fair Value in USD	% of net assets	Fair value in USD	% of net assets
Shares and similar investments - listed	99,644,138	90.18	59,976,053	84.55	76,026,001	87.12
Shares and similar investments - unlisted	8,101,570	7.33	7,529,735	10.61	7,913,006	9.07
	107,745,708	**97.51**	**67,505,788**	**95.16**	**83,939,007**	**96.19**

At 31 December 2013, a 5% reduction in the market value of the portfolio would have lead to a reduction in net asset value of USD 5,387,285 (31.12.12: 3,375,289). A 5% increase in market value would have lead to an equal and opposite effect.

Currency risk

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

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

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

As at 31 December 2013, the Company had the following currency exposure:

Currency	Fair value 31.12.13 USD	Fair value 31.12.12 USD	Fair value 30.06.13 USD
Vietnamese Dong	108,424,518	69,294,903	85,981,766
Pound Sterling	1,285	309,724	176,749
Swiss Franc	33,349	50,197	40,784
Euro	1,003	960	947
	108,460,155	**69,655,784**	**86,200,226**

At 31 December 2013, a 5% reduction in the value of the Vietnamese Dong, Pound Sterling, Swiss Franc and Euro would have lead to a reduction in net asset value of USD 5,423,008 (31.12.12: USD 3,482,789). A 5% increase in value would have lead to an equal and opposite effect.

Credit risk

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

At 31 December 2013, the following financial assets were exposed to credit risk (including settlement risk): cash and cash equivalents, accrued dividend and other receivables. The total amount of financial assets exposed to credit risk amounted to USD 3,109,346 (31.12.12: USD 3,975,241).

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

Liquidity risk

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

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

Notes to the Financial Statements

Interest rate risk

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

4 OPERATING SEGMENTS

Information on realised gains and losses derived from sales of investments are disclosed on the profit or loss.

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

All of the Company's investments in securities at fair value are domiciled in Vietnam as at 31 December 2013 and 2012. All of the Company's investment income can be attributed to Vietnam for the 6 month periods ended 31 December 2013 and 2012 as well as the 12 month periods ended 30 June 2013 and 2012

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5 OTHER RECEIVABLES

	31.12.13 USD	31.12.12 USD	30.06.13 USD
Prepayment	22,500	25,000	-
	22,500	25,000	-

6 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.

	31.12.13 No. of shares	31.12.12 No. of shares	30.06.13 No. of shares
Total shares issued and fully paid (after repurchases and cancellations) at beginning of the period	54,836,792	54,582,112	54,582,112
Shares issued upon exercise of warrants during the period	12,700,448	32,930	254,680
	67,537,240	**54,615,042**	**54,836,792**
Repurchased and reserved for own shares:			
At beginning of the period	(1,306,381)	(165,000)	(165,000)
During the period	(2,867,179)	(676,000)	(1,141,381)
	(4,173,560)	**(841,000)**	**(1,306,381)**
Total outstanding ordinary shares with voting rights	**63,363,680**	**53,774,042**	**53,530,411**

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.

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. Both Shareholders and Warrant holders 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.

Notes to the Financial Statements

A total of 18,194,037 warrants were issued and listed on AIM. On 13 December 2012, 25 April 2013 and 25 September 2013, 32,930, 221,750 and 10,249,781 shares were issued following the exercise of subscription rights by holders of the warrants. After the appointed Trustee had exercised another 2,450,667 warrants on 9 October 2013 the remaining 5,238,909 warrants lapsed and as a result there were no more warrants outstanding as at 31 December 2013.

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

	31.12.13 No. of shares	31.12.12 No. of shares	30.06.13 No. of shares
Net gain from equity securities at fair value through profit or loss:			
Realised loss	(4,227,090)	(8,138,769)	(7,217,354)
Adjustment to fair value of equity securities at fair value through profit or loss	16,023,369	9,655,583	24,663,093
	11,796,279	**1,516,814**	**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 fee is payable monthly in advance and is calculated by reference to the NAV at the end of the preceding month. In addition, the Investment Manager is reimbursed by the Company for administrative functions that it performs on behalf of the Company. The Company will pay to the Investment Manager a performance bonus each year. The fee is calculated and payable as set out in the the Company's circular dated 16 August 2013.

The total fees accruing to the Investment Manager for the six month period to 31 December 2013 were USD 957,845 (31.12.12: USD 684,018) as a management fee and USD 80,000 (31.12.12: USD 60,000) for administrative support. At 31 December 2013, USD 89,665 due to the Investment Manager are included in accrued expenses (31.12.12: USD 55,697).

No performance fee was due as at 31 December 2013 nor at 31 December 2012.

Directors' fees and expenses

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

The charges for the six month period to 31 December 2013 for the Directors fees were USD 135,000 (31.12.12: USD 125,000) of which expenses were USD 60,000 (31.12.12: USD 50,000).

Directors' ownership of shares

As at 31 December 2013, Min-Hwa Hu Kupfer held 36,667 ordinary shares of the Company (31 December 2012: 30,000), representing 0.06% of the total shares outstanding (31 December 2012: 0.04%). As at 31 December 2013, Rolf Dubs held 30,000 ordinary shares of the Company (31 December 2012: 10,000), representing 0.05% of the total shares outstanding (31 December 2012: 0.02%).

As at 31 December 2013, Nguyen Quoc Khanh held 10,000 ordinary shares of the Company (31 December 2012: 10,000), representing 0.02% of the total shares outstanding (31 December 2012: 0.02%).

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 six month period to 31 December 2013 for the Custodian fees were USD 87,719 (31.12.12: USD 53,290)

Notes to the Financial Statements

10 ADMINISTRATION 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 six month period to 31 December 2013 for the Administration and Accounting fees were USD 43,584 (31.12.12: USD 43,500).

11 CONTROLLING PARTY

The Directors are not aware of any ultimate controlling party as at 31 December 2013 or 31 December 2012.

12 FAIR VALUE INFORMATION

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

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

Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

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

The carrying amounts of financial assets at 31 December 2013 are as follows:

As at December 31, 201	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets designated at fair value upon initial recognition				
Equity Investments	99,644,138	-	8,101,570	107,745,708
	99,644,138	-	8,101,570	107,745,708

As at December 31, 2012	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets designated at fair value upon initial recognition				
Equity Investments	59,976,053	-	7,529,735	67,505,788
	59,976,053	-	7,529,735	67,505,788

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

Level 3 Reconciliation

	Financial assets designated at fair value through profit or loss	
All amounts stated in USD	01.07.13 – 31.12.13	01.07.12 – 31.12.12
Opening balance	**7,913,006**	**8,695,443**
Sales	-	452
Total gains and losses recognised in profit or loss*	188,564	(1,166,160)
Closing balance	**8,101,570**	**7,529,735**

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

13 CLASSFICATIONS AND FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

	Note	Designated as at fair value through profit or loss USD	Loans & Receivables USD	Other Liabilities USD	Carrying Amount USD
2013					
Cash and cash equivalents		-	2,965,135	-	2,965,135
Investments in securities at fair value	3	107,745,708	-	-	107,745,708
Accrued dividends		-	121,709	-	121,709
Receivables from sale of investments		-	-	-	-
Prepayments	5	-	22,500	-	22,500
		107,745,708	**3,109,344**	**-**	**110,855,052**
2012					
Cash and cash equivalents		-	3,751,577	-	3,751,577
Investments in securities at fair value	3	67,505,788	-	-	67,505,788
Accrued dividends		-	44,486	-	44,486
Receivables from sale of investments		-	154,179	-	154,179
Prepayments	5	-	25,000	-	25,000
		67,505,788	**3,975,242**	**-**	**71,481,030**
Payables on purchase of investments		-	-	141,905	141,905
Accrued expenses		-	-	297,712	297,712
Other liabilities				78,010	78,010
		-	**-**	**517,627**	**517,627**

14 EARNINGS PER SHARE

The calculation of earnings per share at 31 December 2013 was based on the change in net assets attributable to shareholders of USD 11,709,463 (31.12.12: USD 2,107,030) and the number of shares outstanding of 63,363,680 (31.12.12: 53,774,042).

Key Parties

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Professor Dr. Rolf Dubs
Nguyen Quoc Khanh

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