VietNam Holding Limited

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

Financial Statements
For the year ended June 30, 2011

(with Independent Auditor's report thereon)

Directors	Min Hwa Hu Kupfer Professor Dr. Rolf Dubs Nguyen Quoc Khanh
Registered Office, Company Secretary and Registrar	CARD Corporate Services Ltd. Fourth Floor, Zephyr House 122 Mary Street PO Box 709 GT Grand Cayman, KY1-1107, Cayman Islands
Nominated Adviser (AIM)	Grant Thornton Corporate Finance (until March 2011) 30 Finsbury Square London EC2P 2YU, United Kingdom ORIEL Securities Ltd (from March 2011) 125 Wood Street London EC2V 7AN, United Kingdom
Listing Partner (ES)	Youmex AG (until December 2010) Beethovenstrasse 12-16 D-60325 Frankfurt am Main, Germany Close Brothers Seydler Bank AG (CBSB) (from January 2011) Schillersstrasse 27-29 D-60313 Frankfurt am Main, Germany
Broker	JP Morgan Cazenove (until February 2011) 20 Moorgate London EC2R 6DA, United Kingdom ORIEL Securities Ltd (from March 2011) 125 Wood Street London EC2V 7AN, United Kingdom
Designated Sponsor	Close Brothers Seydler Bank AG (CBSB) (from November 2010) Schillersstrasse 27-29 D-60313 Frankfurt am Main, Germany
Vietnam Sub-Custodian	The Hong Kong and Shanghai Banking Corporation Limited The Metropolitan 235 Dong Khoi Street District 1 Ho Chi Minh City, Vietnam
Investment Manager	Vietnam Holding Asset Management Ltd. P.O. Box 3175 Road Town, Tortola British Virgin Islands
Administrator	Credit Suisse Asset Management Fund Service (Luxembourg) S.A. (until 29.04.2011) Credit Suisse Fund Services (Luxembourg) S.A. (name changed from 30.04.2011) 5, rue Jean Monnet L – 2180 Luxembourg

Independent Auditor ("Réviseur d'Entreprises agréé")	KPMG Audit S.à r.l. 9, Allée Scheffer L – 2520 Luxembourg
Custodian and Trustee	Credit Suisse Paradeplatz 8 CH-8001 Zürich, Switzerland
UK Legal Advisor	Allen & Overy LLP 1 Bishops Square London E1 6AD, United Kingdom
Legal Advisor to the Company (as to Cayman Islands law)	Charles Adams Ritchie & Duckworth Zephyr House 122 Mary Street, PO Box 709 GT Grand Cayman, KY1-1107, Cayman Islands

VietNam Holding

Dear Shareholders,

The last twelve months have been challenging ones for Vietnam's economy and its resident corporate community. The country's macro-economic growth trajectory appears to have held up well, despite the inclement global backdrop. But the spectre of high inflation returned in early 2011, and concerns about the currency have ebbed and flowed over the last year. This has not only posed a challenge for Vietnamese companies, but also for investors such as ourselves.

Vietnam's GDP growth was 7.3% in the latter half of 2010, and 5.6% in the first half of 2011. Industrial output growth in 1H2011 was over 14%, led by the private sector and foreign-invested projects. But by end-June 2011, consumer price inflation was running at almost 21% year-on-year, and the VND had declined by roughly 8% against the US dollar in the past twelve months, with a particularly large depreciation undertaken close to the lunar New Year festival in February.

This was due in part to an excessive emphasis placed on maintaining strong economic growth, at the relative expense of sound monetary policy. Specifically, credit growth had been allowed to increase at unsustainable levels, and overheating in various parts of the economy started to become apparent in late 2010. Worries about the size of the trade deficit, and the lack of clarity on the scale of Vietnam's foreign exchange reserves only served to compound investor jitters further.

The cumulative impact of the government's 'growth at any cost' economic policy has been apparent in the performance of the benchmark index for Ho Chi Minh City's stock market, as local investors in particular have become more anxious about future prospects and long-term sustainability. The VNI ended June 2011 at 432.5; a decline of 14.7% over the previous twelve months. The downturn was even more pronounced on the HNX index in Hanoi, which fell by 53% in the twelve months to end-June 2011. This obviously compares unfavourably with the 23% rise in the MSCI Asia Emerging Markets index.

VNH's whole portfolio out-performed the VNI, declining by 11.6%. Our earlier decision to be over-weight on the domestic consumption and agricultural sectors has been vindicated, with the stocks in these two sub-sectors declining by just 5.1% and 0.6% respectively, over the last year.

However, VNH's own share price has declined by 17% over the past twelve months. While the share price discount to NAV did narrow earlier to less than 8.5% in early January 2011, the recent widening of the discount level – despite our share buy-back efforts – has been quite disappointing. Nonetheless, we continue to believe that it is beneficial for VNH to re-purchase its own shares, from time to time, after taking into account: the opportunities to grow the investment portfolio; prevailing market conditions; and the Fund's overall financial position.

The government's over-emphasis on economic growth was one of the primary reasons why VNH chose to adopt the ESG investing approach (while also maintaining our emphasis on value), as we strongly believed such a policy approach would not prove sustainable. During the past year, considerable efforts have been expended by the investment manager to adjust the VNH portfolio to better reflect our focus on ESG investing. I am pleased to report that ESG analysis has now been mainstreamed into all of our asset allocation procedures.

Looking to the year ahead in Vietnam, a degree of cautious optimism is warranted, in our view. With both the Party Congress and National Assembly elections now behind us, and a new leadership line-up confirmed, the country's policy makers can refocus their attention on economic matters. There is a growing recognition within the corridors of power that a more sustainable approach to economic development should be adopted; one that better balances GDP growth with social and environmental factors.

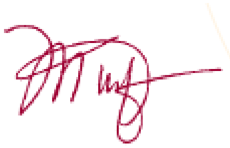
Control over monetary policy seems to have been regained, as evidenced by the limits recently imposed on commercial bank credit growth, tighter restrictions imposed on gold and dollar trading, and some reduction in non-essential public spending at both the national and provincial levels.

The debacle surrounding Vinashin has also served as an important, and expensive, reminder of the need for improved corporate governance standards and practices within the Vietnamese business community, and in the state-owned sector in particular. We therefore anticipate that the government will seek to better legislate for this in the near future, including the new Securities Law, which took effect on July 1, 2011, and various implementing regulations. We are also seeing some signs that large state corporations will not be able to diversify so easily into a wide spectrum of non-core activities, as has been the case until now. A pick-up in the pace of equalizations may also be on the cards.

By most conventional metrics, stock market valuations are relatively low at present, presenting some interesting investment propositions for VNH and other investors in Vietnam to consider. The P/E ratio for the VNI, for example, is currently around 9.2x; markedly lower than the 13-17x ratios seen for various other Asian bourses. After roughly four years of disappointing returns, we would hope that Vietnam's stock markets are on the cusp of a more inspiring period for portfolio investors. VNH's own portfolio of stocks currently has an average trailing P/E of just 6.5x, reflecting our value investing approach.

In this context, we believe that VNH's portfolio is well positioned, as outlined in the investment manager's report that follows. And we remain firmly oriented towards finding fundamental value in Vietnamese companies with both quality earnings growth and sustainable business models.

It is our expectation that improved economic and monetary policy-making in Vietnam will translate into stronger domestic investor confidence and corporate earnings. This in turn should prompt a revival in the stock market, and thereby close the performance gap between the stock market indices and the country's fundamental macro-economic growth trajectory. Foreign investor perceptions of Vietnamese equities as an alternative asset class should also resume, with a concomitant impact on investment funds' share prices and their discounts to net asset value.



Min-Hwa Hu Kupfer
Chairperson
VietNam Holding Ltd.
August 19, 2011

VietNam Holding
Asset Management Ltd

Dear Shareholders,

If the economic and monetary events of the last year have been disappointing for most financial markets, they have provided a welcome validation of our own investment strategies and our execution skills.

Like all emerging markets, Vietnam is increasingly linked to the inevitable ups and downs of global economies. It benefits from the expanding international reach of its trade and influence, and it suffers from the closer ties it is building with major markets around the world whose own challenges extend inexorably to trading partners.

While a positive result has largely been achieved, important issues remain for the country and its investors. As noted in the previous letter from Chairperson Kupfer, the battle between sustained economic growth and necessary monetary policy remains an active one. Importantly for your fund, there are increasing signs that a key to winning that battle is the sustainability of the country's economic and monetary policies. It is therefore noteworthy for all of us that the major decision to make ESG considerations fundamental elements of our investment strategy has been reinforced and validated by the government's own shift to a sustainable economic growth policy.

The year has not been an easy one for even the most thoughtful investors. It has been necessary to be both patient and creative. In our case, this has been accomplished through the combination of rigorous financial analysis with interactive sustainability research. This mantra has enabled us to continue providing above peer investment performance, and has given us valid reasons to look confidently into the future.

We will not rest on our laurels. It has never been more true that good fortune favors the well prepared. In the last year, ESG considerations and sustainability concepts have been fully ingrained in our investment processes and practices. We recognize more every day that economic growth with the single aim of maximized financial reward is not sustainable in the broad sense.

Therefore, our portfolio must continue to seek sustainability in a very specific sense that is both well-chosen and committed. We have guided this necessary strategy, while further developing our focus on the asset allocations, which we identified very early in our corporate life: domestic consumption and agribusiness.

From this dual base we have evolved an analytical process that identifies the best performing and most promising companies in the broad universe of possibilities. This is coupled with a focus on careful diversification, which has been a strength of our portfolio from its inception.
Our investee companies today generate products that range from batteries to beverages, crop protection to port logistics, milk to medication, and seeds to savings accounts. None of these companies found a place in our portfolio by accident.

The success of these investment decisions and the strength of the VNH portfolio have been demonstrated by our results compared to both the benchmark VNI as well as to the currency-adjusted VNI. During this past fiscal year, the VNH portfolio has outperformed the VNI by 3.1%, measured in VND. Even more importantly for our shareholders, our cumulative out-performance of VNH's Net Asset Value since June 30, 2007 measured in USD compared to the USD-adjusted VNI, has increased from 15% of June 30, 2010 to 17.5% as of June 30, 2011.

We are pleased, but not satisfied. Our efforts to refine the blending of vigorous financial analysis with direct engagement with our portfolio companies on ESG issues continue with resolve, and enthusiasm for an even more rewarding future.

Such hopes are far from groundless. The government demonstrates improved resolve to make the tough decisions necessary to guide impressive growth with intelligent and workable monetary policy. Inflation and currency worries now receive more focused and successful attention.

We cannot predict an improved share market, but we can prepare for it. Our portfolio is diverse yet focused, financially strong yet sustainable. Our company is being led by our new CEO, Vu Quang Thinh, who brings experience, skill and a results-driven business approach to a committed team of professionals. Together with an impressive group of Board members and Advisors, we look forward to the continued creation of portfolio growth and realized long-term shareholder value. Our purpose, our strategies and our efforts remain directed to those high goals.

Donald Van Stone
Chairman,
VietNam Holding Asset Management, Ltd.
August 19, 2011

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To the Shareholders of
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c/o Card Corporate Services Ltd.,
Fourth Floor, Zephyr House,
122 Mary Street
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Grand Cayman,
KY1-1107, Cayman Islands

INDEPENDENT AUDITOR'S REPORT

Report on the financial statements
Following our appointment by the General Meeting of the Shareholders dated 23 September 2010, we have audited the accompanying financial statements of VietNam Holding Limited, which comprise the statement of financial position as at 30 June 2011 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Responsibility of the Réviseur d'Entreprises agréé
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 the judgement of the Réviseur d'Entreprises agréé, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the Réviseur d'Entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion
In our opinion, the financial statements give a true and fair view of the financial position of VietNam Holding Limited as of 30 June 2011, 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.

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

Luxembourg, 19 August 2011

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

V. Chan Yin

	Notes	As at 30.06.11 USD	As at 30.06.10 USD
Assets			
Cash and cash equivalents	2	2,439,854	2,982,599
Investments in securities at fair value	2,3	60,139,513	76,020,986
Accrued dividends		54,740	82,713
Receivable on sale of investment		11,203	-
Total assets		**62,645,310**	**79,086,298**
Equity (at bid-market prices)			
Share capital		112,181,354	112,500,000
Retained earnings		(49,908,554)	(33,940,002)
Total equity		**62,272,800**	**78,559,998**
Liabilities			
Accrued expenses		372,510	526,300
Total liabilities		**372,510**	**526,300**
Total equity and liabilities		**62,645,310**	**79,086,298**
Total equity represented by:			
- Net assets attributable to shareholders (last traded prices)		62,716,109	79,134,355
- Adjustment from last traded prices to bid - market prices		(443,309)	(574,357)

The net asset value per share based on last traded prices was USD 1.122 as at June 30, 2011 (June 30, 2010: USD 1.407) as per the prospectus and the net asset value per share based on bid-market prices, as per IFRS, was USD 1.114 as at June 30, 2011 (June 30, 2010: USD 1.397). This is based on 55,906,862 shares outstanding (June 30, 2010: 56,250,000).

The financial statements on pages 11 to 25 were approved by the Board of Directors on August 19, 2011 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 15 to 25 form an integral part of these financial statements.

	Notes	Year ended 30.06.11 USD	Year ended 30.06.10 USD
Interest income	6	234	509
Dividend income from equity securities designated at fair value through profit or loss		2,532,812	1,817,915
Realised loss on investments		(599,410)	(861,461)
Change in fair value of securities designated at fair value through profit or loss	2	(15,110,637)	14,498,355
Net foreign exchange gain/(loss)	2	7,382	(372,638)
Net investment (loss) / income		**(13,169,619)**	**15,082,680**
Investment management fees	7	1,449,229	1,631,578
Advisory fees		111,452	124,562
Accounting fees	9	100,000	100,000
Custodian fees	8	140,642	134,056
Director fees and expenses	7	276,087	251,208
Brokerage fees		67,369	13,237
Audit fees		59,746	61,753
Publicity and investor relations fees		297,381	375,013
Insurance fees		45,000	45,000
Administration expenses		159,500	203,557
Risk management expenses		58,150	144,696
Technical assistance for investee companies		34,377	37,735
Total operating expenses		**2,798,933**	**3,122,395**
Change in net assets attributable to shareholders		**(15,968,552)**	**11,960,285**
Earnings per share - basic and diluted	12	(0.29)	0.21

The notes on pages 15 to 25 form an integral part of these financial statements.

	Share Capital	Retained Earnings	Total
Balance at June 30, 2009	112,500,000	(45,900,287)	66,599,713
Total comprehensive income for the year			
Profit or loss	-	11,960,285	11,960,285
Balance at June 30, 2010	112,500,000	(33,940,002)	78,559,998
Repurchase and cancellation of shares	(318,646)	-	(318,646)
Total comprehensive income for the year			
Profit or loss	-	(15,968,552)	(15,968,552)
Balance at June 30, 2011	112,181,354	(49,908,554)	62,272,800

The notes on pages 15 to 25 form an integral part of these financial statements.

	Year ended 30.06.11	Year ended 30.06.10
	USD	**USD**
Cash flows from operating activities		
Increase/(decrease) in net assets attributable to shareholders	(15,968,552)	11,960,285
Adjustments for:		
Interest income	(234)	(509)
Dividend income	(2,532,812)	(1,817,915)
Net realised loss on investments	599,410	861,461
Change in fair value of securities designated at fair value through profit or loss	15,110,637	(14,498,355)
Unrealised foreign currency loss/(gain)	101,092	(218,005)
	(2,690,459)	**(3,713,038)**
Net (decrease)/increase in other receivables and payables	(164,993)	120,909
Cash used in operations	**(2,855,452)**	**(3,592,129)**
Interest received	234	509
Dividends received	2,560,631	1,781,711
Net cash (used in) operating activities	**(294,587)**	**(1,809,909)**
Cash flows from investing activities		
Purchase of investments	(5,702,247)	(8,642,200)
Proceeds from sale of investments	5,873,827	8,145,941
Net cash from/(used in) investing activities	**171,580**	**(496,259)**
Cash flows from financing activities		
Payment for buy-back of shares	(318,646)	-
Net cash (used in) financing activities	**(318,646)**	**-**
Net (decrease) in cash and cash equivalents	(441,653)	(2,306,168)
Cash and cash equivalents at the beginning of the year	**2,982,599**	**5,070,762**
Effect of exchange rate fluctuations on cash held	(101,092)	218,005
Cash and cash equivalents at the end of the year	**2,439,854**	**2,982,599**

The notes on pages 15 to 25 form an integral part of these financial statements.

1 THE COMPANY

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

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

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

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

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

2 PRINCIPAL ACCOUNTING POLICIES

(a) Statement of compliance

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

(b) Basis of preparation

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

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

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

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

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

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

2 PRINCIPAL ACCOUNTING POLICIES (continued)

The Board has considered the requirements of IFRS 8 "Operating Segments" and is of the view that the Company is engaged in a single segment of business, being investment in Vietnam. The Board, as a whole, has been determined as constituting the chief operating decision maker of the Company. The key measure of performance used by the Board to assess the Company's performance and to allocate resources is the total return on the Company's net asset value, as calculated under IFRS as adopted by the European Union and as per the prospectus, and therefore no reconciliation is required between the measure of profit or loss used by the Board and that contained in these financial statements.
There were no new IFRS standards applied for the year ended 30 June 2011.

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

(d) Financial instruments

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

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

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

Cash and cash equivalents are valued at amortised cost.

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

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

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

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

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

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

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

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

Valuation

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

2 PRINCIPAL ACCOUNTING POLICIES (continued)

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

As at June 30, 2011, 16.6% (June 30, 2010: 21%) of the valuations of the net assets of the Company were based on quotes obtained from brokers.

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

(v) Gains and losses on subsequent measurement
Gains and losses arising from a change in the fair value of financial instruments are recognised in the statement of comprehensive income.

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

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

(vii) Specific instruments

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

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

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

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

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

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

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

2 PRINCIPAL ACCOUNTING POLICIES (continued)

(j) Adoption of new and revised standards

Adoption of new standards and amendments to existing standards

In addition to the adoption of IFRS 8, in November 2009, the European Union adopted IFRS 7 *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*, which became applicable from January 1, 2009. The Company adopted these amendments in the 2010 financial statements.

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

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

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

IFRS 9 – Financial Instruments

Effective date 1 January 2013, early adoption permitted.

IFRS 9 is part of the replacement project for IAS 39. The current issue of IFRS 9 covers classification and measurement with current exposure drafts for impairment and hedge accounting. It is expected to have limited impact for investment funds.

The standard retains the guidance of IAS 39 with regards to recognition and initial measurement.

IFRS 9 simplifies the different categories of financial assets and liabilities under IAS 39 to either Fair Value (through Profit and Loss or Other Comprehensive Income) or Amortised cost. The characteristics of the financial asset or liability and the business model of the entity holding it determines the classification.

Amortised cost will only be applicable when the entity holds an instrument to collect contractual cash flows consisting solely of principal and interest payments on specified dates. Instruments that meet the amortised cost criteria can still be measured at fair value through profit and loss if it eliminates or significantly reduces accounting mismatches.

Equity will be at fair value through profit and loss unless an entity makes an irrevocable election to account for fair value movements through other comprehensive income. The election is only available to instruments not held for trading.

Financial liabilities not held for trading purposes will be measured at amortised unless certain criteria are met allowing them to be designated at fair value through profit and loss. Liabilities held for trading will be at fair value through profit and loss. If designated at fair value the movement in fair value attributable to changes in the entities own credit risk must be separately taken to other comprehensive income.

IFRS 9 significantly limits the use of cost as an approximation for fair value for equity instruments by removing the exemption under IAS 39 for unquoted equities whose fair value cannot be estimated reliably.

IFRS 13 – Fair Value Measurements

Effective date 1 January 2013, early adoption permitted.

IFRS 13 replaces the fair value measurement guidance spread throughout various IFRS's with a single source.

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

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

2 PRINCIPAL ACCOUNTING POLICIES (continued)

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.

In a majority of circumstances it is expected that IFRS 13 will not result in significantly different fair value estimates to those obtained under currently effective standards. The application of the exit price concept may however affect some considerations in valuation models for unquoted equity investments.

The IASB has issued, and the European Union has adopted several standards, amendments to standards and interpretations that will be effective for the Company applicable from July 1, 2011 or after. The Company has not elected to early adopt these standards, amendments to existing standards or interpretations. A few of these standards would not be relevant for the Company and have not been disclosed.

Various Improvements to IFRSs have been dealt with on a standard-by-standard basis. All amendments, which result in accounting changes for presentation, recognition or measurement, will come into effect not earlier than July 1, 2011. The Company has not yet analysed the likely impact of the improvements on its financial position or performance.

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

3 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

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

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

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

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

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

3 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

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

	30.06.11		**30.06.10**	
Description	Fair value in USD	% of net assets	Fair value in USD	% of net assets
Shares and similar investments - listed	49,743,084	80.08%	59,413,368	75.63%
Shares and similar investments - unlisted	10,396,429	16.74%	16,607,618	21.14%
	60,139,513	96.82%	76,020,986	96.77%

At June 30, 2011 a 5% reduction in the market value of the portfolio would have lead to a reduction in net asset value of USD 3,006,976 (2010: USD 3,801,049). A 5% increase in market value would have lead to an equal and opposite effect.

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

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

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

As at June 30, 2011 the Company had the following currency exposure:

Currency	Fair value 30.06.11 USD	Fair value 30.06.10 USD
Vietnamese Dong	60,958,283	75,678,961
Euro	1,141,235	740,323
	62,099,518	76,419,284

At June 30, 2011 a 5% reduction in the value of the Vietnamese Dong and Euro would have lead to a reduction in net asset value of USD 3,047,914 (2010: USD 3,783,948) and USD 57,062 (2010: USD 37,016), respectively. A 5% increase in value would have lead to an equal and opposite effect.

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

At June 30, 2011, 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 62,645,310 (2010: USD 79,086,298).

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

3 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

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

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

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

During the year ended June 30, 2011 interest rates ranged from 0.0% to 1.0% (2010: 0.0% to 1.0%)

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

	Fair value 30.06.11 USD	Fair value 30.06.10 USD
Cash and cash equivalents	2,439,854	2,982,599

At June 30, 2011 a 1% reduction in interest rates would have decreased the net asset value by USD 24,398 (2010: USD 29,826). A 1% increase in value would have lead to an equal and opposite effect.

4 OPERATING SEGMENTS

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

All of the Company's investments in securities at fair value are domiciled in Vietnam as at June 30, 2011 and 2010. All of the Company's investment income can be attributed to Vietnam for the years ended June 30, 2011 and 2010.

5 SHARE CAPITAL

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

On June 6, 2006, the Board resolved that 56,250,000 ordinary shares would be allotted at a placing price of USD 2.00 per ordinary share at, but conditional upon, admission. The ordinary shares' ISIN number is KYG9361X1043.

On September 23, 2010, during its annual general meeting, shareholders approved a Share Repurchase Programme. Since November 2010, 343,138 shares were bought by the Company for cancellation. As a result, the Company now has 55,906,862 ordinary shares with voting rights in issue.

	Number of shares	Net asset value per share
Opening balance as at July 1, 2010	56,250,000	1.407
Closing balance as at June 30, 2011	55,906,862	1.122

5 SHARE CAPITAL (continued)

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.

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

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

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

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

6 INTEREST INCOME

	30.06.11 USD	**30.06.10** USD
Interest income arising from financial assets that are not at fair value through profit or loss:		
Cash and cash equivalents	234	509
Total interest income recognised on financial assets	234	509

7 RELATED PARTY TRANSACTIONS

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

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

The total fees accruing to the Investment Manager for the year to June 30, 2011 were USD 1,449,229 (30.06.10: USD 1,631,578) as a management fee and USD 159,500 (30.06.2010: USD 203,557) for administrative support. At June 30, 2011, USD 50,800 due to the Investment Manager are included in accrued expenses (30.06.2010: USD 66,700).

No performance fee was due as at June 30, 2011 nor at June 30, 2010.

7 RELATED PARTY TRANSACTIONS (continued)

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

The charges for the year for the Directors fees were USD 153,500 (30.06.10: USD 158,000) and expenses were USD 122,587 (30.06.10: USD 93,208).

Directors' ownership of shares
As at June 30, 2011, Min-Hwa Hu Kupfer held 20,000 (30.06.10: 20,000) ordinary shares of the Company representing 0.04% of the total shares outstanding.

8 CUSTODIAN FEES

The custodian fee is as follows:

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

The charges for the year for the Custodian fees were USD 140,642 (30.06.10: USD 134,056).

9 ADMINISTRATION AND ACCOUNTING FEES

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

The charges for the year for the Administration and Accounting fees were USD 100,000 (30.06.10: USD 100,000).

10 CONTROLLING PARTY

The Directors are not aware of any ultimate controlling party as at June 30, 2011 or June 30, 2010.

11 FAIR VALUE INFORMATION

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

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

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

11 FAIR VALUE INFORMATION (continued)

Fair value hierarchy

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

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

The carrying amounts of financial assets at June 30, 2011 are as follows (all amounts in USD):

As at June 30, 2011	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets designated at fair value upon initial recognition				
Equity Investments	49,743,084	-	10,396,429	60,139,513
	49,743,084	**-**	**10,396,429**	**60,139,513**

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

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

11 FAIR VALUE INFORMATION (continued)

Level 3 Reconciliation

	Financial assets designated at fair value through profit or loss
All amounts stated in USD	
June 30, 2011	
Opening balance	**16,607,618**
Sales	(4,548,218)
Total gains and losses recognised in profit or loss*	(1,662,971)
Closing balance	**10,396,429**

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

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

* 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 income statement.

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

12 EARNINGS PER SHARE

The calculation of earnings per share at June 30, 2011 was based on the change in net assets attributable to shareholders of USD (15,968,552) (June 30, 2010: USD 11,960,285) and the weighted average number of shares outstanding of 55,906,862 (June 30, 2010: 56,250,000).