

VietNam Holding Limited

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

Unaudited Financial Statements for the six month period from July 01, 2011 to December 31, 2011

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Key Parties

Directors	Min Hwa Hu Kupfer Professor Dr. Rolf Dubs Nguyen Quoc Khanh
Registered Office, Company Secretary and Registrar	CARD Corporate Services Ltd. Fourth Floor, Zephyr House 122 Mary Street PO Box 709 GT Grand Cayman KY1-1107, Cayman Islands
Nominated Adviser (AIM)	Oriel Securities Limited 150 Cheapside London EC2V 6ET United Kingdom
Listing Partner (Entry Standard)	Close Brothers Seydler Bank AG Schillerstrasse 27-29 60313 Frankfurt Germany
Corporate Broker (AIM)	Oriel Securities Limited 150 Cheapside London EC2V 6ET United Kingdom
Designated Sponsor (Entry Standard)	Close Brothers Seydler Bank AG Schillerstrasse 27-29 60313 Frankfurt Germany
Investment Manager	VietNam Holding Asset Management Ltd. P.O. Box 3175 Road Town, Tortola British Virgin Islands
Administrator	Standard Chartered Bank 7 Changi Business Park Crescent, Level 3, Securities Services, Singapore 486028
Independent Auditor ("Réviseur d'Entreprises agréé")	KPMG Audit S.à r.l. 9, Allée Scheffer L – 2520 Luxembourg
Custodian and Trustee	Standard Chartered Bank 7 Changi Business Park Crescent, Level 3, Securities Services, Singapore 486028
UK Legal Advisor	Norton Rose LLP 3 More London Riverside London SE1 2AQ 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

Chairperson's Statement

As VNH completed the first half of fiscal 2012, our investment portfolio has sustained a period of heightened uncertainty and volatility in global markets with relative success. Our Net Asset Value (NAV) per share dipped by 2.1% against an 18.7% decline in the Vietnam Index (VNI) in the six months ended December 31, 2011. For the calendar year 2011, NAV per share outperformed the benchmark by nearly 10%. Adjusted for the devaluation of the Vietnamese dong that took place in February, 2011, VNH's better performance against the VNI widened to 17%.

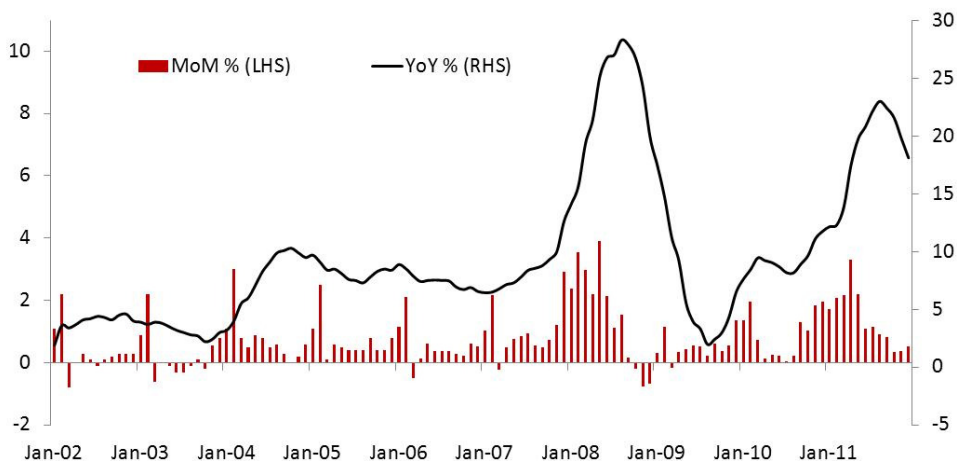
We believe that a key driver of our performance can be attributed to the strategic asset allocation that our Investment Manager, VNHAM, has applied in constructing the portfolio. Information describing the strategy in more detail can be found in the Investment Manager's Report.

In response to changing but intense investor interest, VNH and VNHAM carried on with our important investor relations activities. In addition to semi-annual investor updates in Geneva and Zurich, the team made presentations to investors in London and Frankfurt. Mr. Vu Quang Thinh, the newly appointed CEO of VNHAM, was interviewed by Investor Chronicle, a renowned independent UK-based investment publication, and received positive coverage in September. Earlier in 2011, we met with investors in Amsterdam, Edinburgh, Montreux, Singapore, and Hong Kong.

Since the beginning of October, VNH has bought back shares from the market on fourteen occasions. The authorization for this Share Repurchase Program was renewed during our AGM last September. In the past three months, the VNH share price advanced 12% despite the precipitous decline of the VNI. This improvement has helped recover most of the ground the VNH share price lost during the summer. The discount to NAV at which the shares have been trading also narrowed to a 2011 average of 28%. By December 30, the VNH share price declined by 2.6%, in line with the change in NAV per share for the preceding six month period.

In the last quarter of 2011, the board members and senior advisor of VNH and VNHAM continued with the Director Engagement Program, an integral part of our sustainability investing strategy. They teamed up with investment officers and visited the senior executives of 12 portfolio companies to discuss environmental, social and governance issues. We are encouraged by the progress being made. Several portfolio companies have begun placing greater emphasis on these issues in recognition of how material they are to their long term success.

Vietnam Consumer Price Index



Source: Bloomberg.

Containing inflation remained the country's top political and economic priority throughout 2011. The State Bank of Vietnam, under new Governor Nguyen Van Binh who took office last August, has demonstrated its resolve to rein in credit expansion and money supply growth. Both measures finished well within their respective 2011 targets. The year-on-year Consumer Price Index, which peaked in August, has since trended downward as shown in the chart above. We have also noted the Governor's tenacity in managing the country's foreign exchange, made more complex by the billions of dollars of gold held by the Vietnamese people. Additionally, necessary and anticipated steps toward bank consolidation took effect.

Since its inception, our objective has been for VNH to be the most sustainable and desirable vehicle for long term investment in Vietnamese equities. To that end, VNHAM has selected assets that will benefit most from the positive progress in Vietnam's economic development. In the following Investment Manager's Report, Mr. Jean-Christophe Ganz will explain the steps that the team has recently initiated to rebalance the portfolio in pursuit of that objective. As 2012 unfolds, VNH aims to continue to position its investment portfolio to take full advantage of the long-awaited and fully expected recovery of Vietnam's promising stock market. We look forward to sharing the reward of that event with our faithful shareholders.

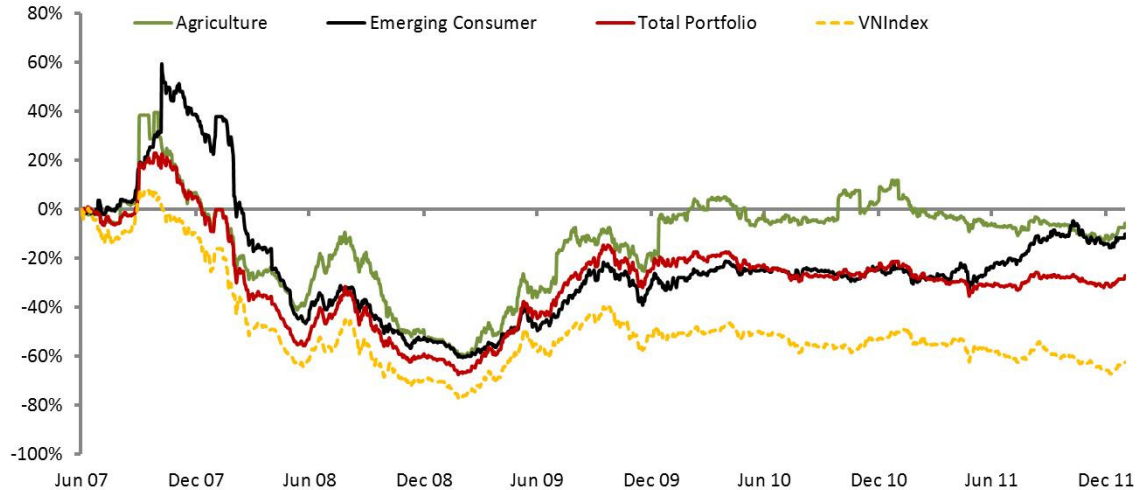
Min-Hwa Hu Kupfer, Chairperson
VietNam Holding Ltd
February 14, 2012

Investment Manager's Report

The first half of the fiscal year has been a period of challenge and consolidation for the investment team of Vietnam Holding. Excellent progress was made during the period in responding to a disappointing market and to the resulting pressure on our financial resources.

As highlighted in the preceding letter from the VNH Chairperson, your fund continued to outperform the benchmark VNI; the recent month's performance in particular shows an encouraging trend. In our view, this was primarily due to a well-defined asset allocation strategy focused on two main investment themes: emerging consumer markets; and the agriculture value chain:

VNH Performance Components



Source: VNHAM.

In order to further improve our ability to develop a portfolio of greater sustainability and on-going high financial performance, important changes have been implemented in our organization.

- Mr. Vu Quang Thinh, a seasoned financial manager with more than twenty years of experience in investment management, consulting and financial analysis, joined us in July as CEO and Chief Representative. Since then, he has attracted several highly skilled professionals to VNHAM, and has brought to our team new expertise and increased energy, which prepare us well for the improved markets we expect this year.
- After three fruitful years as our Chairman, Donald Van Stone has reassumed the position of Vice-Chairman. I would like to express our gratitude to Mr. Van Stone for his outstanding contribution during the past years, in particular by maintaining at all times the highest spirit among his colleagues and staff. I am pleased to have been elected to serve in his place. Mrs. Iris Fang continues to serve with distinction as our resident VNHAM Board member.
- We have consolidated our Vietnam operations in Ho Chi Minh City. This cost-saving move will bring all of our analysts and our administrative assets to a single location, on site with the CEO. We will continue to nurture our rewarding cooperation and collaboration with northern government and business contacts.
- Additionally, we have relocated the company's and the fund's financial control and custodian functions from Europe to Vietnam.

These changes enable us to further optimize implementation of the investment policy defined by VNH. We realize, however, that an unsettled global environment continues to negatively impact our market as it does those of all emerging economies. Our primary goal is therefore to adapt our investment strategy in order to compensate for this instability and these ever-changing market conditions. In view of our expectations of declining inflation and decreasing liquidity pressure during

the second quarter of 2012, we decided during the last quarter of 2011 to move from our defensive investment strategy to a more dynamic portfolio selection approach. We will continue to regularly review, and if necessary adjust, our asset allocation and stock selection procedures, and issue the corresponding recommendations to VNH.

We will also pursue our cooperation and engagement program with investee companies and our regular communication on environmental, social and corporate governance ("ESG") values, such as the VNH Forums held in September 2011 in Hanoi and Ho Chi Minh City.

In spite of our very satisfactory performance relative to the VNI benchmark, we are disappointed by the Net Asset Value of the VNH portfolio in absolute terms, as well as by the discount of our share price to the NAV. We believe the best possible answer to these challenges is our focus on fine-tuning the portfolio by adding companies with strong financial potential, a commitment to the ESG principles, and the resulting ability to generate substantial capital gains in reaction to improved markets in Vietnam.

We appreciate the support of our loyal shareholders throughout this process, and will continue to work hard to generate their much-deserved reward.

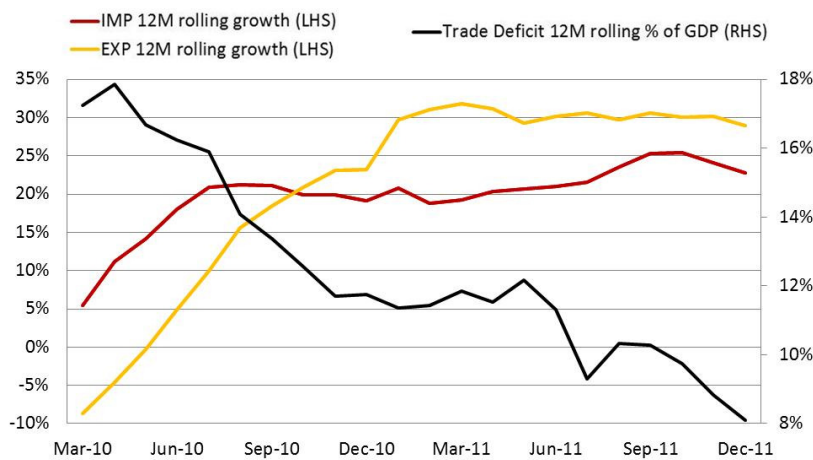
Jean-Christophe Ganz, Chairman
VietNam Holding Asset Management Ltd
February 14, 2012

Vietnam's Economy and Stock Market

By any measure, the investment environment in Vietnam was a challenging one throughout 2011. GDP growth for the full year was a relatively modest 5.9%, compared with a more typical 6.8% in 2010. In both the third and fourth quarters of 2011, GDP growth was 6.1%.

The rise in global prices helped drive a 33% increase in Vietnam's export earnings, to around US\$96bn in 2011, with a corresponding reduction in the perennial trade deficit to about US\$10bn for the full year. The balance of payments in 2011 is estimated to have been positive, at around US\$2bn. This was achieved despite the tough global economic backdrop, which adversely impacted foreign direct investment inflows. This likely signalled too, the start of a gradual trending down in ODA inflows, as Vietnam passes the US\$1,000 per capita GDP milestone and approaches middle income status.

Vietnam Trade Deficit



Source: Bloomberg.

As noted in the Chairperson's statement, inflation continues to be a concern in Vietnam, and was the primary focus of economic policy-makers' attention throughout all of 2011. In response, a tight monetary policy stance was adopted by Hanoi. The battle against price rises was gradually being won in the latter half of the year. Inflation was up 18.1% year-on-year in December, having peaked at 23% in August, with food prices up 22.8% over the year. Part of the challenge is to keep inflation down while simultaneously removing subsidised prices for various essential items and services, including water and electricity. These subsidies need to be phased out if greater private investment in infrastructure and utilities is to occur, particularly at a time when ODA spending in these areas is decreasing.

The considerable rise in the price of gold in the third quarter of the year prompted a series of government measures intended to calm speculation in the precious metal. Foreign equity investors have also had to contend with a 7.4% depreciation in the value of the Vietnam Dong against the US Dollar in 2011, although in the latter part of the year the VND was relatively firmer, at close to 21,000 to the US\$. Yields on Vietnam's ten-year treasury bills hovered around 12.5% in the latter half of 2011.

The overall health of the banking sector was an issue of some concern in the latter half of 2011, for several reasons. The sector-wide 14% interest rate ceiling placed on all VND bank deposits by the State Bank of Vietnam created liquidity constraint for a number of smaller banks. Being unable to offer rates higher than their larger peers, they experienced a contraction in long-term funding sources. Difficulties in the property sector and a general decline in real estate prices also helped raise concerns about growing non-performing loan levels in the banking sector. Estimates of total NPL levels at year-end range from about 3.5% to 8%.

The tight liquidity did not help the stock market. The VNI index continued its decline in the latter half of 2011, falling by 27.46%, with a 48.6% drop seen on Hanoi's HNX index. As a consequence, the average P/E and P/B multiples for Vietnamese listed equities are

relatively low, trading at levels well below those of other CIVET economies. Trading volumes were also generally unimpressive, reflecting poor domestic investor appetite for equities.

Nevertheless, Vietcombank was able to proceed with a private placement to a strategic shareholder, and BIDV Bank was able to conduct a modest IPO in the last week of the year. There were a number of M&A deals in the banking sector near year-end, and the new central bank governor has unveiled plans for a major restructuring of the financial industry by 2015. This will include a merging of the Hanoi and Ho Chi Minh City stock exchanges into a single entity. Finally, the State Securities Commission has indicated that, in a bid to strengthen demand for equities, it will soon move to allow the establishment of on-shore open-ended investment funds and exchange-traded funds (ETFs) for the first time.

Balance sheet as at December 31, 2011

		Unaudited As at 31.12.11	Unaudited As at 31.12.10	Audited As at 30.06.11
	Note	USD	USD	USD
Assets				
Cash and cash equivalents	2	10,945,806	7,673,315	2,439,854
Investments in securities at fair value	2	49,763,558	67,759,576	60,139,513
Other receivable and prepayment		144,927	0	0
Receivable from sale of investment		0	0	11,203
Accrued interest on bonds and dividends due		345,173	119,679	54,740
Total assets		61,199,464	75,552,570	62,645,310
Liabilities				
Payable on purchase of investment		709,139	0	0
Accrued expenses		201,692	516,897	372,510
Other liabilities		350,230	0	0
Total liabilities		1,261,061	516,897	372,510
Net assets attributable to shareholders		59,938,403	75,035,673	62,272,800

The financial statements on pages 10 to 23 were approved by the Board of Directors on February 14, 2012 and were signed on its behalf by

The notes on pages 14 to 23 form an integral part of these financial statements.

VietNam Holding Limited
Statement of Comprehensive Income
for the six month period from July 1, 2011 to December 31, 2011

		Unaudited 01.07.11- 31.12.11	Unaudited 01.07.10 - 31.12.10	Audited 01.07.10 - 30.06.11
	Notes	USD	USD	USD
Income				
Interest income	5	0	234	234
Dividend income from equity securities designated at fair value through profit or loss		2,455,419	1,503,597	2,532,812
Realised gain/(loss) on investments		-7,175,319	1,364,375	-599,410
Net foreign exchange (loss)/gain	2	-122,189	-708,445	7,382
Movement in unrealised gain on investments	2	4,303,085	-4,690,318	-15,110,637
Net investment income		-539,004	-2,530,557	-13,169,619
Expenses				
Investment Management fee	6	633,052	758,641	1,449,229
Advisory fees		79,750	61,500	111,452
Accounting fees	8	58,500	50,000	100,000
Custodian fee	7	53,750	72,500	140,642
Director fees and expenses	6	125,000	125,000	276,087
Brokerage fees		32,235	16,267	67,369
Audit fees		31,500	30,000	59,746
Publicity and investor relations fees		86,500	116,500	297,381
Insurance fees		22,500	22,500	45,000
Administration expenses		100,014	87,650	159,500
Risk management expenses		45,000	145,000	58,150
Technical assistance		5,000	30,000	34,377
Bank interest		473	3,219	0
Total operating expenses		1,273,273	1,518,777	2,798,933
Change in net assets attributable to shareholders		-1,812,277	-4,049,334	-15,968,552

The notes on pages 14 to 23 form an integral part of these financial statements.

VietNam Holding Limited
Statement of Changes in Equity
for the six month period from July 1, 2011 to December 31, 2011

	Share Capital	Retained Earnings	Total
	USD	USD	USD
Balance at July 1, 2010	112,500,000	(33,365,645)	79,134,355
Total comprehensive income for the period			
Profit or loss		(4,049,334)	(4,049,334)
Redemption of share during the period	(49,348)		(49,348)
Balance at December 31, 2010	<u>112,450,652</u>	<u>(37,414,979)</u>	<u>75,035,673</u>
Balance at July 1, 2011	<u>112,181,354</u>	<u>(49,465,245)</u>	<u>62,716,109</u>
Total comprehensive income for the period			
Profit or loss		(1,812,277)	(1,812,277)
Redemption of shares during the period	(965,429)		(965,429)
Balance at December 31, 2011	<u>111,215,925</u>	<u>(51,277,522)</u>	<u>59,938,403</u>

The notes on pages 14 to 23 form an integral part of these financial statements.

VietNam Holding Limited
Statement of Cash Flows
for the six month period from July 1, 2011 to December 31, 2011

	Unaudited 01.07.11 - 31.12.11	Unaudited 01.07.10 - 31.12.10	Audited 01.07.10 - 30.06.11
	USD	USD	USD
Cash flows from operating activities			
Increase/(decrease) in net assets attributable to shareholders	-1,812,277	-4,049,334	-15,968,552
Adjustments for:			
Interest income	0	-234	-234
Dividend income	-2,455,419	-1,503,597	-2,532,812
Net realised gain on investments	7,175,319	-1,364,375	599,410
Net unrealised loss/(gain) on debt and equity instruments	-4,303,085	4,690,318	15,110,637
Unrealised foreign currency loss	122,189	-150,632	101,092
	-1,273,273	-2,377,854	-2,690,459
Net increase/(decrease) in amounts due from brokers	-	-	-
Net increase/(decrease) in other receivables and payables	-315,510	99,796	-164,993
Cash used in operations	-1,588,783	-2,278,058	-2,855,452
Interest received		234	234
Dividends received	2,164,986	1,503,597	2,560,631
Net cash used in operating activities	576,203	-774,227	-294,587
Cash flows from investing activities			
Purchase of investments	-1,185,694	-179,492	-5,702,247
Proceeds from sale of investments	9,853,066	5,444,455	5,873,827
Net cash from investing activities	8,667,372	5,264,963	171,580
Cash flows from financing activities			
Proceeds from redeemable units	-	-	-
Redemption of redeemable units	-615,434	49,348	-318,646
Net cash from financing activities	-615,434	49,348	-318,646
Net increase/(decrease) in cash and cash equivalents	8,628,141	4,540,084	-441,653
Cash and cash equivalents at the beginning of the period	2,439,854	2,982,599	2,982,599
Effect of exchange rate fluctuations on cash held	-122,189	150,632	-101,092
Cash and cash equivalents at the end of the period	10,945,806	7,673,315	2,439,854

The notes on pages 14 to 23 form an integral part of these financial statements.

1 THE COMPANY

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

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

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

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

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

2 PRINCIPAL ACCOUNTING POLICIES

(a) Statement of compliance

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

(b) Basis of preparation

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

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

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

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

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

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

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

(c) Foreign currency translation

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

(d) Financial instruments

(i) Classification

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

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

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

Cash and cash equivalents are valued at amortised cost.

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

(ii) Recognition

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

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

(iii) Derecognition

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

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

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

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

(iv) Measurement

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

Valuation

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

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 December 31, 2011, 15% (December 31, 2010: 15%) of the net assets of the Company was based on quotes obtained from brokers.

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

(v) Gains and losses on subsequent measurement

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

(vi) Impairment

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

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

(vii) Specific instruments

Cash and cash equivalents

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

(e) Interest income and expense

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

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

(f) Formation expenses

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

(g) Offsetting

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

(h) Amounts due to/from brokers

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

(i) Taxation

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

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

(j) Adoption of new and revised standards

Adoption of new standards and amendments to existing standards

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

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

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

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

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

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

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

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

3 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

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

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

types of financial risk to which the Company is exposed are market risk, currency risk, credit risk and liquidity risk.

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

Market risk

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

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

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

Description	31.12.11		31.12.10		30.06.11	
	Fair Value in USD	% of net assets	Fair Value in USD	% of net assets	Fair Value in USD	% of net assets
Bonds and similar investments						
Shares and similar investments- listed	40,853,926	68.16%	56,250,739	74.96%	49,743,084	80.08%
Shares and similar investments- unlisted	8,909,632	14.86%	11,508,837	15.34%	10,396,429	16.74%
	49,763,558	83.02%	67,759,576	90.30%	60,139,513	96.82%

At December 31, 2011 a 5% reduction in the market value of the portfolio would have lead to a reduction in net asset value of USD 2,488,178. 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 December 31, 2010 the Company had the following currency exposure:

	Fair value 31.12.11	Fair value 31.12.10	Fair value 30.06.11
Currency	USD	USD	USD
Vietnamese Dong	59,087,702.20	72,934,230	60,958,283
CHF	213,880.87	-	-
Euro	15,171.49	406,857	1,141,235
	59,316,755	73,341,087	62,099,518

At December 31, 2011 a 5% reduction in the value of the Vietnamese Dong, Swiss Franc and Euro would have lead to a reduction in net asset value of USD 2,965,838. 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 December 31, 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 61,176,964 (31.12.10: USD 75,552,570).

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.

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.

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

	Fair value 31.12.11 USD	Fair value 31.12.10 USD
Cash and cash equivalents	10,945,806	7,673,315

At December 31, 2011 a 1% reduction in interest rates would have decreased the net asset value by USD 109,458. 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 December 31, 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 November 24, 2010 the Company purchased for cancellation 50,000 ordinary shares. As a result the Company had 56,200,000 ordinary shares as of December 31, 2010, with voting rights, in issue.

During period from April 2011 to December 2011, the Company purchased for cancellation 1,617,888 shares. As a result the Company had 54,582,112 ordinary shares with voting rights at 31 December 2011.

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

	31.12.11	31.12.10	30.06.11
Interest income arising from financial assets that are not at fair value through profit or loss:	-		
Cash and cash equivalents	-	234	234
Total interest income recognised on financial assets	-	234	234

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 six month period to December 30, 2011 were USD 633,052 (31.12.10: USD 758,641) as a management fee and USD 100,014 (31.12.10: USD 87,650) for administrative support. At December 30, 2011, USD 50,721 due to the Investment Manager are included in accrued expenses (31.12.2009: USD 60,925).

No performance fee was due as at December 31, 2011 nor at December 31, 2010.

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 December 31, 2011 for the Directors fees were USD 125,000 (31.12.11: USD 125,000) of which expenses were USD 42,500 (31.12.10: USD 33,083).

Directors' ownership of shares

As at December 31, 2010, Min-Hwa Hu Kupfer held 20,000 (31.12.09: 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 six month period to December 31, 2011 for the Custodian fees were USD 53,750 (31.12.10: USD 72,500)

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 six month period to December 31, 2010 for the Administration and Accounting fees were USD 50,000 (31.12.09: USD 50,000).

10 CONTROLLING PARTY

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

11 FAIR VALUE INFORMATION

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

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

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

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 December 31, 2011 are as follows (all amounts in USD):

As at December 31, 2011	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets designated at fair value upon initial recognition				
Equity Investments	40,853,926	-	8,909,632	49,763,558
	40,853,926	-	8,909,632	49,763,558

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

Level 3 Reconciliation

All amounts stated in USD	Financial assets designated at fair value through profit or loss
December 31, 2011	
Opening balance	10,396,429
Sales	-1,295,937
Total gains and losses recognised in profit or loss*	(190,860)
Closing balance	<u>8,909,632</u>

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

12 EARNINGS PER SHARE

The calculation of earnings per share at December 30, 2011 was based on the change in net assets attributable to shareholders of USD (1,812,277) (December 31, 2010: USD 4,049,334) and the number of shares outstanding of 54,582,112 (December 31, 2010: 56,200,000).