THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, you should consult your stockbroker, bank manager, solicitor, accountant or independent financial adviser who is authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

A copy of this document, which comprises a prospectus relating to VinaCapital Vietnam Opportunity Fund Limited (the "**Company**") prepared in accordance with the Prospectus Rules and the Guernsey Prospectus Rules 2008, has been delivered to the Financial Conduct Authority in accordance with Rule 3.2 of the Prospectus Rules.

Application has been made to the UK Listing Authority and to the London Stock Exchange respectively for admission of all of the Shares to: (i) the Premium Listing Segment of the Official List; and (ii) the London Stock Exchange's Main Market for listed securities. No application has been made or is currently intended to be made for the Shares to be admitted to listing or dealt with on any other exchange. It is expected that Admission will become effective and that dealings on the London Stock Exchange in the Shares will commence on 30 March 2016. Upon Admission, the admission of the Shares to trading on AIM will be cancelled.

The Company and each of the Directors, whose names appear on page 39 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Investors should read the entire document and, in particular, the section headed "Risk Factors" beginning on page 19 for a discussion of the risks that might affect your shareholding in the Company.

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

(a company registered in Guernsey under The Companies (Guernsey) Law, 2008 (as amended) with registered number 61765 and registered as a Registered Closed-ended Collective Investment Scheme with the Guernsey Financial Services Commission)

Introduction to the Official List

Sponsor

Numis Securities Limited

The Company is a registered closed-ended collective investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and the Registered Collective Investment Schemes Rules 2015 issued by the GFSC. The GFSC, in granting registration, has not reviewed this document but has relied upon specific warranties provided by Northern Trust International Fund Administration Services (Guernsey) Limited, the Company's designated administrator.

Neither the GFSC nor the States of Guernsey Policy Council take any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

Numis Securities Limited ("**Numis**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting for the Company and for no-one else in connection with Admission and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing advice in connection with Admission. Numis is not responsible for the contents of this document. This does not limit or exclude any responsibilities which Numis may have under FSMA or the regulatory regime established thereunder.

The Company is not offering any Shares nor any other securities in connection with Admission. This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, any Shares nor any other securities in any jurisdiction. The Shares will not be generally made available or marketed to the public in the UK or any other jurisdiction in connection with Admission.

The Shares have not been and will not be registered under the U.S. Securities Act or with any securities or regulatory authority of any state or other jurisdiction of the United States and the Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act) absent: (i) registration under the U.S. Securities Act or (ii) an available exemption under the U.S. Securities Act. The Company has not been and will not be registered under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act. This document may not be distributed in whole or in part into the United States or to U.S. Persons.

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the United States.

The Shares have not been, and will not be, registered under the applicable securities laws of Australia, Canada, Japan or the Republic of South Africa. The Shares have not been and will not be offered or sold in Australia, Canada, Japan or the Republic of South Africa or to or for the account or benefit of any person resident in Australia, Canada, Japan or the Republic of South Africa and this document does not constitute an offer to sell or a solicitation of an offer to purchase or subscribe for Shares in such jurisdiction or in any jurisdiction in which such offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company. This document may not be distributed in whole or in part, in or into Australia, Canada, Japan or the Republic of South Africa. The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves of and observe any restrictions.

CONTENTS

SUMMARY

Summaries are made up of disclosure requirements known as “Elements”. These Elements are numbered in Sections A — E (A.1 — E.7).

This summary contains all the Elements required to be included in a summary for this type of security and issuer. Some Elements are not required to be addressed which means there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted into the summary because of the type of security and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of “not applicable”.

Section A – Introduction and warnings		
Element	**Disclosure Requirement**	**Disclosure**
A.1	Warning	This summary should be read as an introduction to this document. Any decision to invest in Shares should be based on consideration of the document as a whole by the investor. Where a claim relating to the information contained in this document is brought before a court, the plaintiff investor might, under the national legislation of Member States of the European Union, have to bear the costs of translating this document before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in such securities.
A.2	Subsequent resale or final placement of securities through financial intermediaries	Not applicable.

Section B – Issuer		
Element	**Disclosure Requirement**	**Disclosure**
B.1	Legal and commercial name	VinaCapital Vietnam Opportunity Fund Limited.
B.2	Domicile and legal form	The Company is a non-cellular company limited by shares registered in Guernsey under the Companies Law on 22 March 2016 with registered number 61765. The principal legislation under which the Company operates is the Companies Law.

B.5	Group description	The Company is the holding company of the following subsidiaries:

Name	*Principal Activity*	*Proportion of Ownership Interest (%)*
Vietnam Investment Property Holding Limited	Holding company for listed, unlisted securities and real estate	100
Vietnam Investment Property Limited	Holding company for listed and unlisted securities	100
Vietnam Ventures Limited	Holding company for listed, unlisted securities and real estate	100
Vietnam Investment Limited	Holding company for listed, unlisted securities and real estate	100
Asia Value Investment Limited	Holding company for listed and unlisted securities	100
Vietnam Master Holding 2 Limited	Holding company for listed securities	100
VOF Investment Limited	Holding company for listed, unlisted securities and real estate	100
VOF PE Holding 5 Limited	Holding company for listed securities	100
Visaka Holding Limited	Holding company for treasury shares	100
Portal Global Limited	Holding company for listed securities	100
Windstar Resources Limited	Holding company for listed securities	100
Howard Holding Pte. Limited	Holding company for private equity	100
Fraser Investment Pte. Limited	Holding company for listed securities	100
SE Asia Master Holding 7 Pte. Limited	Holding company for private equity	100
Allright Assets Limited (Sing)	Holding company for real estate	100
Allright Assets Limited (BVI)	Holding company for real estate	100
VTC Espero Limited	Holding company for real estate	100
American Home Vietnam Co. Limited	Ceramic tiles manufacturer	100

		Name	*Principal Activity*	*Proportion of Ownership Interest (%)*
		Yen Viet Joint Stock Company	Bird's nest products	65
		International Dairy Products Joint Stock Company	Dairy products	69.48
		VinaLand Heritage Limited	Holding company for investments	100
		Halico Investment Holding Limited	Holding company for investments	100
		Pegasus Leisure Limited	Holding company for investments	100
		Creative Leisure Limited	Holding company for investments	100
		Vietnam Enterprise Limited	Holding company for listed securities	100
		PA Investment Opportunity II Limited	Holding company for investments	100
		Vina QRS Limited	Holding company for investments	100
		Vietnam Hospitality Limited	Holding company for real estate	100
		Indotel Limited	Holding company for real estate	100
		SEM Thong Nhat Metropole	Holding company for real estate	50
		Sofitel Metropole Hanoi	Holding company for real estate	100
		Indochina Building Supplies Pte Limited	Holding company for private equity	99
		IDS Building Materials Pte Ltd	Holding company for private equity	100
		Indochina Ceramic Singapore Pte	Holding company for private equity	100
		Bivi Corporation	Holding company for investments	100
		Binh Trieu	Holding company for investments	100
		VinaSugar Holdings Limited	Holding company for private equity	100
		VOF PE Holding 3 Limited	Holding company for investments	100
		Sharda Holdings Limited	Holding company for investments	100
		Hospira Holdings Limited	Holding company for investments	100
		Navia Holdings Limited	Holding company for investments	100
		Orkay Holdings Limited	Holding company for investments	100

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<tr><td></td><td></td><td>
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<tr><th>Name</th><th>Principal Activity</th><th>Proportion of Ownership Interest (%)</th></tr>
<tr><td>Transwell Enterprises Limited</td><td>Holding company for listed and unlisted securities</td><td>100</td></tr>
<tr><td>Clear Interest Group Limited</td><td>Holding company for investments</td><td>100</td></tr>
<tr><td>DTL Education Holding Ltd</td><td>Holding company for investments</td><td>100</td></tr>
<tr><td>Nomino Holdings Limited</td><td>Holding company for investments</td><td>100</td></tr>
<tr><td>Longwoods Worldwide Limited</td><td>Holding company for investments</td><td>100</td></tr>
<tr><td>Rewas Holdings Limited</td><td>Holding company for investments</td><td>100</td></tr>
<tr><td>Victory Holding Investment Limited</td><td>Holding company for investments</td><td>100</td></tr>
<tr><td>Belfort Worldwide Limited</td><td>Holding company for investments</td><td>100</td></tr>
<tr><td>Hawke Investments Pte Limited</td><td>Holding company for investments</td><td>100</td></tr>
<tr><td>Allwealth Worldwide Limited</td><td>Holding company for investments</td><td>100</td></tr>
<tr><td>Foremost Worldwide Limited</td><td>Holding company for investments</td><td>100</td></tr>
<tr><td>Preston Pacific Limited</td><td>Holding company for investments</td><td>100</td></tr>
<tr><td>Vietnam Opportunity Fund II Pte Limited</td><td>Holding company for investments</td><td>100</td></tr>
<tr><td>Liva Holdings Limited</td><td>Holding company for investments</td><td>100</td></tr>
<tr><td>Abbott Holding Pte Limited</td><td>Holding company for private equity</td><td>100</td></tr>
<tr><td>Whitlam Holding Pte Limited</td><td>Holding company for private equity</td><td>100</td></tr>
<tr><td>Turnball Holding Pte. Ltd</td><td>Dormant</td><td>100</td></tr>
<tr><td>Menzies Holding Pte. Ltd</td><td>Dormant</td><td>100</td></tr>
</table>
</td></tr>
<tr><td>B.6</td><td>Major shareholders</td><td>
As at 31 January 2016 (being the latest practicable date prior to the publication of this document), insofar as is known to the Company, the following persons hold directly or indirectly three per cent. or more of the Shares:
<table>
<tr><th>Name</th><th>Number of shares</th><th>% holding</th></tr>
<tr><td>Lynchwood Nominees Ltd</td><td>23,097,265</td><td>10.76</td></tr>
<tr><td>Lazard Asset Management</td><td>22,227,788</td><td>10.35</td></tr>
<tr><td>SMBC Nikko Bank</td><td>12,790,000</td><td>5.96</td></tr>
<tr><td>BNY Mellon - SA</td><td>11,401,171</td><td>5.31</td></tr>
<tr><td>City of London Investment Management</td><td>8,654,175</td><td>4.03</td></tr>
<tr><td>Six Sis AG</td><td>6,861,801</td><td>3.20</td></tr>
<tr><td>State Street Bank Trust</td><td>6,840,597</td><td>3.19</td></tr>
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<tr><td></td><td></td><td> All Shareholders have the same voting rights in respect of the share capital of the Company. As at 22 March 2016 (being the latest practicable date prior to the publication of this document), the Company and the Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company. </td></tr>
<tr><td>B.7</td><td>Key financial information</td><td> The table below sets out the key financial information that has been extracted without material adjustment from the Company's audited financial statements in respect of the financial years ended 30 June 2013, 2014 and 2015, each of which are reproduced in full in Part 7 of this document. The Company believes that this information summarises the financial condition and operating results of the Group over the relevant period.
<table>
<tr><th>US$'000 otherwise stated</th><th>As at 30 June 2013</th><th>As 30 June 2014</th><th>As at 30 June 2014 (restated)[1]</th><th>As at 30 June 2015</th></tr>
<tr><td>Net Asset Value</td><td>753,532</td><td>779,804</td><td>771,380</td><td>718,644</td></tr>
<tr><td>Net Asset Value per Share (US$)</td><td>2.88</td><td>3.27</td><td>3.24</td><td>3.27</td></tr>
<tr><td>Total assets</td><td>771,843</td><td>805,488</td><td>781,645</td><td>723,744</td></tr>
<tr><td>Operating profit/(loss)</td><td>99,985</td><td>87,572</td><td>88,983</td><td>(5,372)</td></tr>
<tr><td>Net profit/(loss) attributable to the owners of the Company</td><td>90,254</td><td>81,666</td><td>88,983</td><td>(5,372)</td></tr>
<tr><td>Earnings/(loss) per Share (US$)</td><td>0.31</td><td>0.33</td><td>0.36</td><td>(0.02)</td></tr>
<tr><td>Total comprehensive income/(loss) attributable to the owners of the Company</td><td>82,652</td><td>78,812</td><td>88,983</td><td>(5,372)</td></tr>
</table>
(1) For the year ended 30 June 2015, the Company has adopted the "Investment Entities" amendments to IFRS 10, "Consolidated financial statements". The Company's subsidiaries, which were previously consolidated, are now accounted for at fair value through profit or loss. This change in accounting policy has been applied retrospectively in accordance with the transition provision of IFRS 10 and the amendments to IFRS 10. The impact of the change on the Company's financial position and results for the financial year ended 31 June 2014 has been disclosed in Note 2.15 in the audited financial statements for the financial year ended 30 June 2015.
There has been no significant change in the financial condition or operating results of the Group during or subsequent to the period covered by the historical key financial information. </td></tr>
<tr><td>B.8</td><td>Key pro forma financial information</td><td>Not applicable. No pro forma financial information.</td></tr>
<tr><td>B.9</td><td>Profit forecast or estimate</td><td>Not applicable. No profit forecast or estimate made.</td></tr>
</table>

B.10	Description of the nature of any qualifications in the audit report on the historical financial information	Not applicable. The audit reports on the historical financial information contained in this document are not qualified.
B.11	Insufficiency of working capital	Not applicable. The Company is of the opinion that the working capital available to the Company is sufficient for its present requirements, that is, at least the next 12 months from the date of this document.
B.34	Description of investment objective, policy and restrictions	**Investment Objective** The Company's objective is to achieve medium to long-term returns through investment in assets either in Vietnam or in companies with a substantial majority of their assets, operations, revenues or income in, or derived from, Vietnam. **Investment Policy** All of the Company's investments will be in Vietnam or in companies with at least 75 per cent. of their assets, operations, revenues or income in, or derived from, Vietnam at the time of investment. No single investment may exceed 20 per cent. of the Net Asset Value of the Company at the time of investment. The Company may from time to time invest in other funds focused on Vietnam. This includes investments in other funds managed by the Investment Manager. Any investment or divestment of funds managed by the Investment Manager will be subject to prior approval by the Board. No more than 10 per cent., in aggregate, of the value of the Company's total assets may be invested in other listed closed-ended investment funds. The restriction on investment in other listed closed-ended investment funds does not apply to investments in closed-ended investment funds which themselves have published investment policies to invest no more than 15 per cent. of their total assets in other listed closed-ended investment funds. The Company may from time to time make co-investments alongside other investors in private equity, real estate or similar assets. This includes, but is not restricted to, co-investments alongside other funds managed by the Investment Manager. The Company may gear its assets through borrowings which may vary substantially over time according to market conditions and any or all of the assets of the Company may be pledged as security for such borrowings. Borrowings will not exceed 10 per cent. of the Company's total assets at the time that any debt is drawn down.

		From time to time the Company may hold cash or low risk instruments such as government bonds or cash funds denominated in either Vietnamese Dong or US Dollars, either in Vietnam or outside Vietnam.
B.35	Borrowing and/or leverage limits	The Company may gear its assets through borrowings which may vary substantially over time according to market conditions and any or all of the assets of the Company may be pledged as security for such borrowings. Borrowings will not exceed 10 per cent. of the Company's total assets at the time that any debt is drawn down.
B.36	Regulatory status	The Company operates under the Companies Law in Guernsey and ordinances and regulations made thereunder. The Company is registered in Guernsey as a registered closed-ended collective investment scheme pursuant to the POI Law and the RCIS Rules issued by the GFSC. The Company is not regulated in the UK as a collective investment scheme by the FCA. However, it is subject to the Prospectus Rules, the Listing Rules and the Disclosure and Transparency Rules.
B.37	Typical investor	An investment in the Shares is only suitable for institutional investors and professionally advised private investors who understand and are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which may equal the whole amount invested that may result from such an investment. Furthermore, an investment in the Shares should constitute part of a diversified investment portfolio.
B.38	Investment of 20 per cent. or more in a single underlying issuer or investment company	Not applicable. The Company will not invest more than 20 per cent of gross assets in a single underlying issue or investment company.
B.39	Investment of 40 per cent. or more in another collective investment undertaking	Not applicable. The Company will not invest more than 40 per cent of gross assets in another collective investment undertaking.
B.40	Applicant's service providers	***Investment Manager*** The Company and the Investment Manager have entered into the Investment Management Agreement pursuant to which the Investment Manager is responsible for the day-to-day management of the Company's investment portfolio on a discretionary basis in accordance with the Company's investment objective and investment policy. Under the terms of the Investment Management Agreement, the Investment Manager is entitled to receive from the Company: (i) an investment management fee at an annual rate of 1.5 per cent. of the Net Asset Value, payable monthly in arrears; (ii) an incentive fee equal to 15 per cent. of the increase in Net Asset Value per Share over a hurdle rate of 8

		per cent. per annum. The incentive fees are based on two separate Portfolios of investments: the Capital Markets Portfolio and the Direct Real Estate Portfolio. The total amount of incentive fees paid in any one year is capped at 1.5 per cent. of the relevant Net Asset Value of each Portfolio. As announced with the Company's annual results for the year ended 30 June 2015, there has been a difference of interpretation between the Company and the Investment Manager about certain provisions of the Investment Management Agreement relating to the incentive fee. The Investment Manager and the Board have agreed that the Investment Management Agreement will be modified to reduce the possibility of differences of interpretation in the future. It is planned that the necessary revisions to the Investment Management Agreement will be agreed and signed prior to the end of the current financial year on 30 June 2016. ***Administrator and Company Secretary*** The Administrator and Company Secretary has been appointed to act as administrator and provide company secretarial services under the terms of the Administration Agreement. The Administrator and Company Secretary is entitled to receive an annual fee from the Company under the Administration Agreement, to be calculated as a percentage of the Company's Net Asset Value, subject to a minimum fee of US$20,833 per month and a fixed annual fee of US$120,000 for corporate governance and company secretarial services. ***Custodian*** The Custodian has been appointed to act as custodian of the Company's assets pursuant to the Custodian Agreement. The Custodian shall be entitled to receive an annual fee based on the face value of the assets under custody ("**AUC**") on a tiered scale. If the AUC is below US$500 million, the fee will be 0.05 per cent. per annum and if the AUC is US$500 million or above, the fee will be 0.04 per cent. per annum subject to a minimum fee of US$5,000 per month. ***Registrar*** The Registrar has been appointed to act as registrar to the Company pursuant to the Registrar Agreement. Under the terms of the Registrar's Agreement, the Company shall pay the Registrar a fixed annual fee payable monthly in arrears, of £5,500, although this fee may be greater dependent on the number of additional services subscribed for by the Company during the year.
B.41	Identity and regulatory status of Investment Manager and the Custodian	VinaCapital Investment Management Limited has been appointed as the Company's Investment Manager. The Investment Manager is registered with the Cayman Islands

		Monetary Authority as an "Excluded Person" under the Cayman Islands Securities Investment Business Law and is therefore not regulated by the Cayman Islands Monetary Authority or by any other regulator. Standard Chartered Bank (Vietnam) Limited has been appointed as the Company's Custodian. Standard Chartered Bank is authorised by the Prudential Regulation Authority and regulated by the FCA and Prudential Regulation Authority in the UK, and by the Monetary Authority of Singapore in Singapore.
B.42	Calculation of Net Asset Value	The Net Asset Value (and Net Asset Value per Share) is calculated monthly (and rounded to two decimal places) in U.S. Dollars by the Administrator and Company Secretary. Details of each monthly Net Asset Value are announced by the Company via a Regulatory Information Service announcement generally within ten business days of each month end and published on the Company's website. The calculation of the Net Asset Value will only be suspended in circumstances where the underlying data necessary to value the investments of the Company cannot readily, or without undue expenditure, be obtained or in other circumstances (including but not limited to a systems failure of the Administrator and Company Secretary) which prevents the Company from making such calculations. Details of any suspension in making such calculations will be announced through a Regulatory Information Service as soon as practicable after any such suspension occurs.
B.43	Cross liability	Not applicable. The Company is not an umbrella collective investment undertaking and as such there is no cross liability between classes or investment in another collective investment undertaking.
B.44	Statement confirming no financial statements are in existence	Not applicable. The Company has commenced operations and historical financial information is included within this document. Please see the key financial information at B.7.
B.45	Portfolio	As at 22 March 2016 (being the latest practicable date prior to the publication of this document), the Company held 50 investments with an aggregate value of US$700.7 million. The Company is a diversified fund which has interests in a number of different asset classes in a variety of sectors. As at 22 March 2016: – the Company's 10 largest investments represented 58.7 per cent. of NAV. – the Company's largest asset class was listed securities, which represented 49.4 per cent. of NAV. – the Company's largest sector exposure was real estate and construction which represented 26.3 per cent. of NAV.

		– cash and cash equivalents represent 1.7 per cent. of NAV.
B.46	Net Asset Value	As at 30 June 2015, the audited Net Asset Value per Share was US$3.27. As at 29 February 2016, the unaudited Net Asset Value per Share was US$3.25.

Section C – Securities		
Element	**Disclosure Requirement**	**Disclosure**
C.1	Type and class of securities	The nominal value of the total issued share capital of the Company immediately following Admission will be US$2,113,462.58 divided into 211,346,258 Shares which have been issued fully paid. The ISIN of the Shares is GG00BYXVT888 and the SEDOL is BYXVT88. The ticker for the Company is VOF.
C.2	Currency	The Shares are denominated in U.S. Dollars.
C.3	Details of share capital	Set out below is the issued share capital of the Company as at 22 March 2016 (being the latest practicable date prior to the publication of this document): *Aggregate Nominal Value (US$)* — *Number* Shares — 2,113,462.58 — 211,346,258 The Shares are fully paid up.
C.4	Description of the rights attaching to the securities	The Shares carry the right to receive notice of, attend and vote at general meetings of the Company. The Shares rank equally for voting purposes. On a show of hands each Shareholder has one vote and on a poll, each Shareholder has one vote per Share held. The holders of the Shares shall be entitled to receive, and to participate in, any dividends declared in relation to the Shares that they hold. On a winding-up or a return of capital by the Company, the net assets of the Company attributable to the Shares shall be divided *pro rata* among the holders of the Shares.
C.5	Restrictions on the free transferability of the securities	Not applicable; there are no restriction on the free transferability of the Shares.
C.6	Admission	Application has been made to the UK Listing Authority for all of the issued Shares to be admitted to the Premium Listing segment of the Official List and for all such Shares to be admitted to trading on the Main Market for listed securities. It is expected that Admission will become effective, and that dealings in the Shares will commence, at 8.00 a.m. on 30 March 2016.

C.7	Dividend policy	The Directors currently intend to reinvest available excess liquidity to take advantage of opportunities meeting the Company's investment and return objectives.

Section D – Risks		
Element	**Disclosure Requirement**	**Disclosure**
D.1	Key information on the key risks that are specific to the Company or its industry	***The Company may not meet its investment objective*** The Company may not achieve its investment objective. Meeting the investment objective is a target but the existence of such an objective should not be considered as an assurance or guarantee that it can or will be met. ***Investor returns will be dependent on the performance of the portfolio and the Company may experience fluctuations in its operating results*** The market value of the Shares may fluctuate and may not always reflect their underlying value. Returns achieved are reliant primarily upon the performance of the portfolio. No assurance is given, express or implied, that Shareholders will receive back the amount of their original investment. Such variability may lead to volatility in the trading price of the Shares and cause the Company's results for a particular period not to be indicative of its performance in a future period and this may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders. ***Calculation of Net Asset Value*** In calculation of the Company's unaudited Net Asset Value, the Company will have regard to the various valuation policies that it has adopted. The value of securities which are quoted or dealt in on any stock exchange (including any securities traded on an "over the counter market") shall be based on the last traded prices on such stock exchange. However, in circumstances where such prices are not available, or the Investment Manager believes such securities are not traded in sufficient volume for the market price to represent an accurate valuation, such holdings will be attributed to a fair value as determined by the Board. In addition, whilst the fair value of unlisted equities (private equities) and real estate will be determined by using industry standard valuation techniques there are inherent limitations of estimating the values. Accordingly such fair valuations may not be accurate and this may impact on the accuracy of the unaudited Net Asset Value reported to Shareholders. ***Currency, interest rate risks and hedging risks*** The Company has made and will make investments in, and earns income denominated in Vietnamese Dong. The value of the Vietnamese Dong has historically been closely linked, via a managed float, to that of the U.S. Dollar, the Group's

		reporting currency. Exchange rate fluctuations and local currency devaluation may have a material effect on the Net Asset Value, which is expressed in U.S. Dollars. ***Concentration of investments*** The Company intends to meet its investment objective by investing in a diversified portfolio of assets either in Vietnam or in companies with a substantial majority of their assets, operations, revenues or income in, or derived from, Vietnam and across a range of sectors with the objective of spreading investment risk. However, the Company may invest up to 20 per cent. of its gross assets in a single investment and there are no restrictions on the Company's exposure to one particular sector. Concentration of the Company's portfolio of investments in any one holding or in any particular sector may result in greater volatility in the value of the Company's investments and consequently its Net Asset Value and may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders. ***Delays in currency conversion*** Most of the Company's investments are in securities that are denominated in Vietnamese Dong and that pay dividends in Vietnamese Dong. The Company will need to convert Vietnamese Dong into US Dollars when funds are remitted outside of Vietnam, but the Vietnamese Dong is currently not a freely convertible currency. Due to current applicable Vietnamese currency and tax restrictions, there is no assurance that the Company will be able to convert Vietnamese Dong proceeds from the disposal of investments or income arising from investments into US Dollars at all or at any particular exchange rate. Any delay in conversion may increase the Company's exposure to depreciation of the Vietnamese Dong against other currencies which may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders. ***Vietnamese market risk*** Investments in Vietnamese issuers are subject to a greater risk of loss than investments located or operating in more developed markets. This is due to, among other things, the potential for greater market volatility, lower trading volume, higher levels of inflation, deflation or currency devaluation, which could damage their economies and securities markets. Political and economic change (including the pace or direction of economic and legal reforms), market shutdown and governmental limitations on foreign investments may affect the value of the Company's investments. Investments in Vietnamese companies might also be affected by any escalation that may occur in tensions in the East Sea or elsewhere. In addition, investments in Vietnam may carry risks of failed or delayed

		settlement and in the registration and custody of securities. Companies operating in Vietnam may not be subject to accounting, auditing and financial reporting standards nor the same level of corporate governance or internal controls nor the same level of government supervision and regulation as in more developed markets. The occurrence of any such issues, may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders. ***Legal system risks*** The laws and regulations in Vietnam are at an early stage of development and are not well established. The Company may find it difficult or impossible to obtain effective enforcement of its rights through legal proceedings in Vietnam. Foreign court judgments are generally not recognised in Vietnam. Where possible, foreign entities such as the Company often select foreign arbitration to resolve contract disputes. However, while there is a legal basis for the recognition and enforcement of foreign arbitral awards in Vietnam in respect of certain types of contracts, there have only been a small number of cases where a Vietnamese court has actually enforce such an award against a Vietnamese party. ***Listed securities and OTC stocks*** The Hanoi Stock Exchange and the Ho Chi Minh City Stock Exchange are not as developed as the more established securities markets and have substantially less trading volume, which may result in a lack of liquidity and higher price volatility. There may be a high concentration of market capitalisation and trading volume in a small number of issuers representing a limited number of industries as well as a high concentration of investors and financial intermediaries. In addition, there has often been a high degree of short-term speculative trading on these markets, partly attributable to the underdeveloped institutional investor base in Vietnam. These factors may adversely affect the timing and price of the acquisition or disposal of securities on these markets. In addition, an economic downturn or an increase in the real or perceived risks associated with Vietnam or the Asia-Pacific region could adversely affect the market price of securities of companies exposed to Vietnam or the Asia-Pacific region even if the economies of such countries remain stable, all of which may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders. ***Private equity investments*** Private equity investments may be difficult for the Company to sell and the price achieved on any such realisation may be at a discount to the prevailing valuation of the relevant investment which may have a material adverse effect on the

		performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders. ***Real estate*** The Company is subject to a broad range of real estate specific risks. In addition, a significant proportion of the Company's real estate holdings are co-investments with VinaLand Limited, another fund managed by the Investment Manager. In most cases VinaLand Limited holds a controlling stake in the joint venture company and therefore exerts control over the investment. The Company does not have structural minority protection rights. As both funds are managed by the same Investment Manager, each fund's investment objectives for each property are generally the same, however, this may not always be the case. However, given VinaLand Limited's current investment objectives of disposing of its portfolio, the Company could potentially be put in a position where sales may be triggered earlier than ideally desired. The Board would expect the Company to fully participate in any sales of jointly held investments and under normal circumstances is not prepared to assume the development risk that would result from continuing to hold an investment which VinaLand Limited is selling. The operation of real estate assets under development is contingent upon, among other things, receipt (and, as applicable, extension or renewal) of all required licences, permits and authorisations, including, but not limited to, investment certificates, land use right certificates, building, construction and zoning permits, environmental permits, occupational health and safety requirements or equivalent documents. Certain real estate assets under development remain subject to the receipt of various approvals, permits and/or licences. Delays in the process of obtaining, a failure to obtain, or onerous conditions being attached to the requisite approvals, licences, permits and/or consents from government or municipal agencies or authorities are possible. This may increase the cost and/or delay and/or prevent the commencement of a development project which may have an adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders. ***The Company is dependent on the expertise of the Investment Manager and its key personnel to evaluate investment opportunities and to implement the Company's investment objective and investment policy*** The performance of the Company will depend on the ability of the Investment Manager, to provide competent, attentive and efficient services to the Company. There can be no assurance that, over time, the Investment Manager, will be able to provide such services or that the Company will be able to invest its assets on attractive terms or generate any investment returns for Shareholders or indeed avoid investment losses. If the Investment Management

		Agreement is terminated, the Directors would have to find a replacement investment manager for the Company and there can be no assurance that such a replacement will be found which may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.
D.3	Key information on the key risks that are specific to the Shares	***Shares may trade at a discount to the Net Asset Value per Share and Shareholders may be unable to realise their investments through the secondary market at Net Asset Value per Share*** The Shares may trade at a discount to the Net Asset Value per Share and Shareholders may be unable to realise their investments through the secondary market at Net Asset Value per Share.

Section E – Offer		
Element	**Disclosure Requirement**	**Disclosure**
E.1	Proceeds and costs of the Issue	Not applicable; this document relates to the application for listing of existing Shares on the Official List and to trading on the Main Market for listed securities of the London Stock Exchange. No offer of Shares is being made in conjunction with Admission.
E.2.a	Reason for the Issue and use of proceeds	Not applicable; this document relates to the application for listing of existing Shares on the Official List and to trading on the Main Market for listed securities of the London Stock Exchange. No offer of Shares is being made in conjunction with Admission.
E.3	Terms and conditions of the offer	Not applicable; this document relates to the application for listing of existing Shares on the Official List and to trading on the Main Market for listed securities of the London Stock Exchange. No offer of Shares is being made in conjunction with Admission.
E.4	Interests material to the offer	Not applicable; this document relates to the application for listing of existing Shares on the Official List and to trading on the Main Market for listed securities of the London Stock Exchange. No offer of Shares is being made in conjunction with Admission.
E.5	Name of person selling the security and lock up arrangements	Not applicable; this document relates to the application for listing of existing Shares on the Official List and to trading on the Main Market for listed securities of the London Stock Exchange. No offer of Shares is being made in conjunction with Admission.
E.6	Dilution	Not applicable; this document relates to the application for listing of existing Shares on the Official List and to trading on the Main Market for listed securities of the London Stock Exchange. No offer of Shares is being made in conjunction with Admission.

E.7	Estimated Expenses charged to the investor by the issuer	Not applicable; this document relates to the application for listing of existing Shares on the Official List and to trading on the Main Market for listed securities of the London Stock Exchange. No offer of Shares is being made in conjunction with Admission.

RISK FACTORS

Investors should consider carefully all of the information set out in this document and the risks attaching to an investment in the Company or the Shares, including, in particular, the risks described below. An investment in the Shares is only suitable for investors who understand the risk of capital loss and that there may be limited liquidity in the underlying investments of the Company and in the Shares, for whom an investment in the Shares would be of a long term nature and constitute part of a diversified investment portfolio and who understand and are willing to assume the risks involved in investing in the Shares.

The Directors believe the risks described below are the material risks relating to an investment in the Shares at the date of this document. Additional risks and uncertainties not currently known to the Directors, or that the Directors deem immaterial at the date of this document, may also have an adverse effect on the performance of the Company and the value of the Shares. Investors should review this document carefully and in its entirety and consult with their professional advisers before making an investment in the Shares.

RISKS RELATING TO THE COMPANY AND ITS INVESTMENT STRATEGY

The Company may not meet its investment objective

The Company may not achieve its investment objective. Meeting the investment objective is a target but the existence of such an objective should not be considered as an assurance or guarantee that it can or will be met.

Past performance cannot be relied upon as an indicator of future performance

The past performance of the Company and other portfolios managed by the Investment Manager is not a guide to the future performance of the Company. Investor returns will be dependent on the Company successfully pursuing its investment policy. The success of the Company will depend, inter alia, on the Investment Manager's ability to identify, acquire and realise investments in accordance with the Company's investment policy. This, in turn, will depend on the ability of the Investment Manager to apply its investment processes in a way which is capable of identifying suitable investments and managing such investments. There can be no assurance that the Investment Manager will be able to do so or that the Company will be able to invest its assets on attractive terms or generate any investment returns for Shareholders or indeed avoid investment losses.

Investor returns will be dependent on the performance of the portfolio and the Company may experience fluctuations in its operating results

The market value of the Shares may fluctuate and may not always reflect their underlying value. Returns achieved are reliant primarily upon the performance of the portfolio. No assurance is given, express or implied, that Shareholders will receive back the amount of their original investment. The Company may experience fluctuations in its operating results due to a number of factors including changes in the values of investments made by the Company, changes in the amount of distributions, dividends or interest paid by the companies in the portfolio, changes in the Company's operating expenses, variations in and the timing of the recognition of realised and unrealised gains or losses, the degree to which the Company encounters competition and general economic and market conditions. Such variability may lead to volatility in the trading price of the Shares and cause the Company's results for a particular period not to be indicative of its performance in a future period and this may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Calculation of Net Asset Value

In relation to calculation of the Company's unaudited Net Asset Value, the Company will have regard to the various valuation policies that it has adopted. The value of securities which are quoted or dealt in on any stock exchange (including any securities traded on an "over the counter market") shall be based on the last traded prices on such stock exchange. However, in circumstances where such prices are not available, or the Investment Manager believes such securities are not traded in sufficient volume for the market price to represent an accurate valuation, such holdings will be attributed to a fair value as determined by the Board. In addition, whilst the fair value of unlisted equities (private equities) and real estate will be determined by using industry standard valuation techniques there are inherent limitations of estimating the values. Accordingly such fair valuations may not be accurate and this may impact on the accuracy of the unaudited Net Asset Value reported to Shareholders.

Cash management and credit risk of bank deposits

To the extent that the Company has cash balances these may be held on deposit with banks or financial institutions. Returns on cash may be materially lower than those available on the Company's target investments and material cash balances may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

To the extent that the Company holds material cash balances it will be subject to the credit risk of the banks or financial institutions with which they are deposited. If any such bank, financial institution or counterparty were to become insolvent, or default on its obligations, the Company would be exposed to the potential loss of the sum deposited. This may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Sufficiency of due diligence

Whilst the Investment Manager will implement due diligence processes in connection with the Company's investments, this may not reveal all facts that may be relevant in connection with an investment and may not highlight issues that could affect the investment's performance. Further, disclosure, accounting and other regulatory standards in Vietnam are, in many respects, less stringent than the standards found in more developed markets. This may result in the Company having less adequate or less accurate information regarding its investments than might be expected or might be usual in more developed markets. These factors may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders. Moreover, there can be no assurance that satisfactory due diligence will result in an investment being successful.

The Company may use borrowings

The Company may gear its assets through borrowings. While the use of borrowings should enhance the total return on the Shares where the return on the Company's investment portfolio is rising and exceeds the cost of borrowing, it will have the opposite effect where the return on the Company's investment portfolio is rising at a lower rate than the cost of borrowing or falling, further reducing the total return on the Shares. As a result, the use of borrowings by the Company may increase the volatility of the Net Asset Value per Share.

To the extent that a fall in the value of the Company's investments causes gearing to rise to a level that is not consistent with the Company's gearing policy, borrowing limits or loan covenants, the Company may have to sell investments in order to reduce borrowings, which may give rise to a significant loss of value compared to the book value of the investments, as well as a reduction in income from investments.

Any amounts that are secured by the Company under a bank facility are likely to rank ahead of Shareholders' entitlements and accordingly, should the Company's investments not grow at a rate sufficient to cover the costs of establishing and operating the Company, on a liquidation of the Company, Shareholders may not recover their initial investment.

The Company will pay interest on any borrowings. As such, the Company is exposed to interest rate risk due to fluctuations in the prevailing market rates to the extent that it has borrowed funds outstanding.

Currency, interest rate risks and hedging risks

The Company has made and will make investments in, and earns income denominated in Vietnamese Dong. The value of the Vietnamese Dong has historically been closely linked, via a managed float, to that of the U.S. Dollar, the Group's reporting currency. Exchange rate fluctuations and local currency devaluation could have a material effect on the Net Asset Value, which is expressed in U.S. Dollars. Whilst the Group does not currently intend to engage in currency hedging it may where the Investment Manager considers it necessary in the interests of efficient portfolio management, employ hedging strategies designed to reduce the risk of adverse movements in currency exchange rates.

Currency derivatives designed to hedge the investment portfolio from adverse movements in exchange rates may not perfectly hedge the cash flows of the underlying investments. This may result in differences between the value of any such investments and the hedge that relates to it. In particular, changes to the repayment profile may cause the hedges to become less efficient.

Where currency derivatives are used and the reference exchange rate moves significantly from the rate prevailing at the time the particular contract was entered into, the Company may be required to deliver a payment, known as "margin", to the counterparty to collateralise the negative value of a hedging instrument. Depending on the resources available to the Company, its ability to deliver margin may be constrained, may require the Company to sell investments and may impact on the Company's ability to make distributions.

The Company seeks to achieve a market rate of return on cash held for investment purposes. As a result the Group is exposed to interest rate risk related to these holdings, as well as on bond investments and on loans provided to third parties (usually in connection with real estate investments). Cash holdings, bonds and loans are typically subject to a fixed interest rate, although as these are often short-term in nature, re-pricing can occur frequently.

Interest rates are sensitive to many factors including government, monetary, regulatory and tax policies, as well as domestic and international economic and political considerations which are all beyond the control of the Company. The prices of equity securities in the Company's portfolio may be susceptible in the short-term to decline in response to changes in interest rates. Rising interest rates could also adversely impact the financial performance of the Company's investee companies by increasing their cost of capital.

Interest rate hedging may be carried out by the Company to seek to provide protection against increasing interest rates as and when any floating rate liabilities are entered into by the Company or against falling interest rates in relation to assets that do not have a minimum fixed rate of return acceptable to the Company in line with its investment policy.

There can be no assurance that any hedging can be performed effectively. Hedging may also be costly and may reduce the Company's earnings and returns to Shareholders. Furthermore, hedging arrangements may result in counterparty risk and losses in the event of the default or bankruptcy of a counterparty.

The Company has no employees and is reliant on the performance of third party service providers

The Company has no employees and the Directors have all been appointed on a non-executive basis. Whilst the Company has taken steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations, the Company is reliant upon the performance of third party service providers for its executive functions. In particular, the Investment Manager, the Administrator and Company Secretary, the Custodian and the Registrar will be performing services which are integral to the operation of the Company. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Concentration of investments

The Company intends to meet its investment objective by investing in a diversified portfolio of assets either in Vietnam or in companies with a substantial majority of their assets, operations, revenues or income in, or derived from, Vietnam and across a range of sectors with the objective of spreading investment risk. However, the Company may invest up to 20 per cent. of its gross assets in a single investment and there are no restrictions on the Company's exposure to one particular sector. Concentration of the Company's portfolio of investments in any one holding or in any particular sector may result in greater volatility in the value of the Company's investments and consequently its Net Asset Value and may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Investments may be illiquid

Many of the Company's investments are, or may be, illiquid due to the undeveloped nature of the Vietnamese capital markets, market conditions, the nature of the investment or otherwise. This is particularly the case with respect to, but by no means limited to, the investments that the Company has made in the real estate sector. In addition, securities that the Company may purchase in privately negotiated transactions may not be freely tradable due to restrictions on their transfer, sale, pledge or other disposition. The Company may therefore be unable to realise investments on terms or at a time favourable to the Company and this may materially adversely effect the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Delays in currency conversion

Most of the Company's investments are in securities that are denominated in Vietnamese Dong and that pay dividends in Vietnamese Dong. The Company will need to convert Vietnamese Dong into US Dollars when funds are remitted outside of Vietnam, but the Vietnamese Dong is currently not a freely convertible currency. Due to current applicable Vietnamese currency and tax restrictions, there is no assurance that the Company will be able to convert Vietnamese Dong proceeds from the disposal of investments or income arising from investments into US Dollars at all or at any particular exchange rate. Any delay in conversion may increase the Company's exposure to depreciation of the Vietnamese Dong against other currencies which may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

The financial markets are uncertain and have been the subject of governmental intervention

Uncertain conditions in the global financial markets, and initiatives by governments to address them, have created a great deal of uncertainty for investment markets, which may adversely affect the Company's investments and overall performance.

The scale and extent of these government initiatives have been extensive and it remains unclear what impact they will have on global financial markets in the long term, and on Vietnam, the Asia-Pacific region and other economies.

These initiatives are subject to change, may be implemented in unanticipated ways and, given the discretion they afford, their effects are difficult to predict. It is not known whether the Company and its investments will be exposed to, or will be able to benefit from, these initiatives, directly, indirectly or at all. There can be no assurance that the conditions in the global financial markets, or actions by governments, will not worsen and/or further adversely affect the value of the Company's investments and overall performance.

Changes in laws, regulations and/or government policy may adversely affect the Company's business

The Company and its investments are subject to laws and regulations enacted by national and local governments and to government policy. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time-consuming and costly. Any change in the laws, regulations and/or government policy affecting the Company may have a material adverse effect on the ability of the Company to successfully pursue its investment policy and meet its investment objective and on the value of the Company and the Shares. In such event, the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders may be materially adversely affected.

RISKS RELATING TO THE PORTFOLIO AND VIETNAM

General market risk

The Company invests in Vietnamese listed and unlisted equity securities and is exposed to the market price risk of these securities. The Company's listed Vietnamese equity securities are subject to price risk resulting from the potential illiquidity of the Group's total holding relative to average daily trading volume of certain listed securities and the enforcement of strict trading bands which prevent share prices from moving by more than a predetermined percentage each day. The Group's unlisted Vietnamese equity securities are susceptible to price risk arising from uncertainties about the future values of the relevant investment. These values may also be affected by the absence of exit opportunities which will depend, inter alia, on the general perceived attractions of investment in Vietnam. To address these risks the Investment Manager makes investments that are consistent with the Company's objectives and where appropriate monitors daily trading volumes for positions taken. However, despite seeking to mitigate against any price volatility in the Company's investments such volatility may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

No control

Whilst the Company will typically be a shareholder in an investee company, it does not normally hold a controlling interest in such investment. This could result in decisions being made relating to the relevant investee company that are not in the interests of the Company and which could have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Legal framework risk

The time required for investee companies to obtain approvals to undertake business activities in Vietnam may be substantial. Investee companies are subject to laws and regulations enacted by national and local governments. The administration of laws and regulations by government agencies is subject to considerable discretion and, in many areas, the legal framework is vague, contradictory, not comprehensive and subject to varying interpretations. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time-consuming and costly. The laws and regulations and their interpretation and application may also change from time to time and changes may have an adverse effect on the performance of the investee companies or on the Company and, accordingly, on the Net Asset Value, the Company's earnings and returns to Shareholders.

Ownership risk

Whenever possible the Investment Manager seeks to structure transactions through conventional and transparent investment structures. However, from time to time, the Group may choose to structure investments using trust or nominee arrangements whereby the legal title to certain investments may be held by a third party (which is usually an entity controlled by the Investment Manager). These arrangements do not have a solid legal basis in Vietnam and expose the Group to the loss of the investment if the trustee or nominee were to renege on its obligations and the Company is unable to enforce its rights. In addition, the Investment Manager controls certain source documents of title for unlisted investments in Vietnam, the loss or failure to properly maintain which could materially adversely impair the Group's ownership rights in such investments as it may not be possible to replace such documents of title. In addition, the collection, transfer and deposit of securities and cash exposes the Company to a number of risks including theft, loss, fraud, destruction and delay. Procedures for the registration of ownership, if available at all, may be unreliable in Vietnam and may be subject to fraud. The services of brokers and sub-custodians in Vietnam may not be as reliable as in developed countries, and may provide different levels of service, which may expose the Company to risk of loss. In such circumstances, the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders may be materially adversely affected.

Investee companies may not have proven capabilities

There is no limitation on the size of the companies in which the Company may invest. Many companies may lack management depth or need substantial capital to support expansion or to achieve or maintain a competitive position, and there can be no assurance that the Company will have the necessary capital to provide for an investee company's future capital needs or that other sources of financing will be available. Such companies may face intense competition from other companies and thus entail a greater risk than investment in larger companies. As a result, these investments may not perform as well as the Investment Manager expects, thereby having a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Changes in tax law and practice

Vietnam's tax laws and regulations are subject to change and continue to be supplemented and clarified. There are many areas where detailed regulations do not currently exist or where there is ambiguity as to interpretation. The implementation of tax regulations can vary depending on the tax authority involved. Any change in the tax status of the Company or the Investment Manager or Vietnam's taxation legislation or its interpretation or implementation may adversely affect the Company or the value of the Company's investments, its ability to declare dividends and to remit profits, and the tax obligations imposed on it or its investee companies, which in turn can affect the returns to Shareholders.

Breaches of environmental or health and safety laws

The companies in which the Company is invested are subject to laws and regulations in Vietnam and elsewhere, including those relating to pollution, protection of the environment and health and safety matters. Any breach of laws and regulations, or even incidents that do not amount to a breach, could adversely affect the operations of such companies and their reputations. This, in turn, could have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Vietnamese market risk

Investments in Vietnam are subject to a greater risk of loss than investments located or operating in more developed markets. This is due to, among other things, the potential for greater market volatility, lower trading volume, higher levels of inflation, deflation or currency devaluation, which could damage their economies and securities markets. Political and economic change (including the pace or direction of economic and legal reforms), market shutdown and governmental limitations on foreign investments may affect the value of the Company's investments. Investments in Vietnamese companies might also be affected by any escalation that may occur in tensions in the East Sea or elsewhere. In addition, investments in Vietnam may carry risks of failed or delayed settlement and in the registration and custody of securities. Companies operating in Vietnam may not be subject to accounting, auditing and financial reporting standards nor the same level of corporate governance or internal controls nor the same level of government supervision and regulation as in more developed markets. The occurrence of any such issues, could have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Bribery and Corruption risk

Fraud, bribery and corruption are more common in Vietnam than in more developed countries such as in western Europe and the United States. Whilst the Group maintains anti-corruption training programmes, codes of conduct, procedures and other safeguards designed to prevent the occurrence of fraud, bribery and corruption, and no members of the Group or the Directors have been subject to fraud, bribery or corruption proceedings, it may not be possible for the Group to detect or prevent every instance of fraud, bribery and corruption in every jurisdiction in which its employees, agents, sub-contractors or joint venture partners are located. In addition, there may be fraud, bribery or corruption at the level of the Company's investments. The Group is also reliant upon the Investment Manager to operate and enforce the Group's anti-bribery and corruption policies. The Group may, therefore, be subject to civil and criminal penalties and to reputational damage in the event that its anti-bribery and corruption policies are not properly operated or enforced. Instances of fraud, bribery and corruption, and violations of laws and regulations in the jurisdictions in which the Group operates, including the UK Bribery Act 2010, may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Investment restrictions due to Vietnamese regulations

Currently, foreign equity participation in certain Vietnamese companies may be limited. This may make it harder or impossible for the Company to invest in certain companies even though an investment in such companies would have been consistent with the Company's policies and objectives.

Economic risk

Vietnam has experienced substantial and volatile rates of inflation in recent years. Also, from time to time in the recent past, there have been periods when a shortage of foreign currency in the market has delayed the remittance of funds outside the country. The Investment Manager seeks to manage such economic risks through the use and analysis of information provided by the Investment Manager's in-house economist and external sources, and by modifying the Company's investment strategies in response to such information. However, to the extent that the Investment Manager is unable to mitigate such risk, volatility in the economic climate may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Asset realisation in bankruptcy proceedings may be difficult to implement

Vietnamese bankruptcy proceedings are rarely used as a result of numerous factors, and if they are used they tend to be time-consuming and unpredictable and may yield a very low or no recovery rate. As a result, the Company may have limited recourse in realising an investment in the event that a portfolio company becomes bankrupt which may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Legal system risks

The laws and regulations in Vietnam are at an early stage of development and are not well established. The Company may find it difficult or impossible to obtain effective enforcement of its rights through legal proceedings in Vietnam. Foreign court judgments are generally not recognised in Vietnam. Foreign entities such as the Company often select foreign arbitration, where possible, to resolve contract disputes. However, while there is a legal basis for the recognition and enforcement of foreign arbitral awards in Vietnam in respect of certain types of contracts, there have only been a small number of cases where a Vietnamese court has actually enforced such an award against a Vietnamese party.

Tax uncertainty

The Vietnamese tax regulations are developing and subject to frequent changes. There are many areas where detailed regulations do not currently exist and where there is a lack of clarity. There are inconsistencies and gaps in laws and regulations. The implementation and administration of laws and regulations by government agencies may be subject to considerable discretion, and in many areas, the legal framework is vague, contradictory and subject to interpretation. In particular, the interpretation and application of tax regulations can vary depending on the tax authority involved. There can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in Vietnam is made will endure indefinitely. An adverse tax ruling made in relation to one or more of the Company's investments in Vietnam may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

RISKS RELATING TO SPECIFIC INVESTMENT TYPES

Listed securities and OTC stocks

The Hanoi Stock Exchange and the Ho Chi Minh City Stock Exchange are not as developed as the more established securities markets and have substantially less trading volume, which may result in a lack of liquidity and higher price volatility. There may be a high concentration of market capitalisation and trading volume in a small number of issuers representing a limited number of industries as well as a high concentration of investors and financial intermediaries. In addition, there has often been a high degree of short-term speculative trading on these markets, partly attributable to the underdeveloped institutional investor base in Vietnam. These factors may adversely affect the timing and price of the acquisition or disposal of securities on these markets. In addition, an economic downturn or an increase in the real or perceived risks associated with Vietnam or the Asia-Pacific region may adversely affect the market price of securities of companies exposed to Vietnam or the Asia-Pacific region even if the economies of such countries remain stable, all of which may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Private equity investments

Private equity investments may be difficult for the Company to sell and the price achieved on any such realisation may be at a discount to the prevailing valuation of the relevant investment which may adversely affect the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

The valuation of the private equity investments is inherently subjective, in part because all valuations of investments in privately held companies are made on the basis of assumptions which may not prove to be accurate, and, in part, because of the individual nature of each investment. This is particularly so where there has been more limited transactional activity in the market against which the Company's valuations can be benchmarked. Valuations of the private equity investments may not reflect actual sale prices or optimal purchase prices even where any such transactions occur shortly after the relevant valuation date.

In addition, following the disposal of investments the Company may experience difficulties in the collection of outstanding receivables from the purchasers of such investments, and such rights may be difficult to enforce through legal channels.

Real estate

The Company is subject to a broad range of real estate specific risks. These include, among other things: (i) the risks of owning properties jointly with third-party partners where sole decision-making authority may be restricted; (ii) general real estate investment considerations, such as the effect of local economic and other conditions on real estate values and ongoing cash flows; (iii) the illiquidity of real estate investments; (iv) potential environmental liabilities and the risk of uninsured losses; (v) the availability or otherwise of financing for real estate development; and (vi) legal issues and ambiguities which may arise as a result of challenges to the forms of ownership common in the local market, management of buildings and numerous other areas; (vii) lack of full or proper structuring of the Group's rights; and (viii) inability to meet obligations to the national or local governments, including in respect of land rental payments or timely development, which can result in revocation by government entities of the Group's rights. Any of these risks may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

A significant proportion of the Company's real estate holdings are co-investments with VinaLand Limited, another fund managed by the Investment Manager. In most cases VinaLand Limited holds a controlling stake in the joint venture company and therefore exerts control over the investment. The Company does not have structural minority protection rights. As both funds are managed by the same Investment Manager, each fund's investment objectives for each property are generally the same, but, this may not always be the case. However, given VinaLand Limited's current investment objective of disposing of its portfolio, the Company could potentially be put in a position where sales may be triggered earlier than ideally desired. The Board would expect the Company to fully participate in any sales of jointly held investments and under normal circumstances is not prepared to assume the development risk that would result from continuing to hold an investment which VinaLand Limited is selling.

The operation of real estate assets under development is contingent upon, among other things, receipt (and, as applicable, extension or renewal) of all required licences, permits and authorisations, including, but not limited to, investment certificates, land use right certificates, building, construction and zoning permits, environmental permits, occupational health and safety requirements or equivalent documents. Certain real estate assets under development remain subject to the receipt of various approvals, permits and/or licences. Delays in the process of obtaining, a failure to obtain, or onerous conditions being attached to the requisite approvals, licences, permits and/or consents from government or municipal agencies or authorities are possible. This may increase the cost and/or delay and/or prevent the commencement of a development project which may have an adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

The operation of real estate and hospitality assets is also exposed to unplanned interruptions caused by significant catastrophic events such as floods, earthquakes, fires, major plant breakdowns, pipeline or electricity line rupture or other disasters. Operational disruption, as well as supply disruption, could adversely affect the cash flows available from these assets and their overall values.

In addition, the cost of repairing or replacing damaged assets could be considerable. Repeated or prolonged interruption may result in a permanent loss of buyers, substantial litigation or penalties or regulatory or contractual non-compliance. Moreover, any loss from such events may not be recoverable under relevant insurance policies. Business interruption insurance is not always available, or economically feasible, to protect the business from these risks.

Indemnifications and contingent liabilities upon divestment of certain investments

In connection with the divestment of a private equity or real estate investment, the Company may be required to make representations about the business and financial affairs of such company or asset typical of those made in connection with the sale of a business or asset. The Company may be required to indemnify the purchaser of such investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which the Company may establish reserves and escrows. In that regard, redeployment of funds may be delayed or withheld until such reserve is no longer needed or the escrow period expires. In addition, the Company may be obligated to fund such indemnity obligations to the extent escrow arrangements are insufficient to cover the indemnity obligations which may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

RISKS ASSOCIATED WITH THE INVESTMENT MANAGER

The Company is dependent on the expertise of the Investment Manager and its key personnel to evaluate investment opportunities and to implement the Company's investment objective and investment policy

The performance of the Company will depend on the ability of the Investment Manager, to provide competent, attentive and efficient services to the Company. There can be no assurance that, over time, the Investment Manager, will be able to provide such services or that the Company will be able to invest its assets on attractive terms or generate any investment returns for Shareholders or indeed avoid investment losses.

The ability of the Company to achieve its investment objective is significantly dependent upon the expertise of the partners, directors and employees of the Investment Manager and the ability of the Investment Manager to attract and retain suitable staff. The impact of the departure of a key individual (or individuals) on the ability of the Investment Manager to achieve the investment objective of the Company cannot be determined in advance and may depend on, amongst other things, the ability of the Investment Manager to recruit individuals of similar experience. A failure by the Investment Manager to do so may impact negatively on the performance of the Investment Manager and, therefore, of the Company.

If the Investment Management Agreement is terminated, the Directors would have to find a replacement investment manager for the Company and there can be no assurance that such a replacement will be found which may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

The Investment Manager may allocate some of its resources to activities in which the Company is not engaged, which could have a negative impact on the Company's ability to achieve its investment objective

The Investment Manager is not required to commit all of its resources to the Company's affairs. Insofar as the Investment Manager devotes resources to its responsibilities in relation to other business interests, its ability to devote resource and attention to the Company's affairs will be limited. This could adversely affect the Company's ability to achieve its investment objective, which may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

The Investment Manager or its key personnel may be precluded by changing regulations from providing services in Vietnam

Changes in Vietnam's legal and regulatory environment (including in relation to investment management and securities related businesses) might preclude the Investment Manager or its personnel from providing services in Vietnam, or from engaging a third party to provide such services to the Company on its behalf. Any such change could have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Potential conflicts of interest

The Investment Manager, and other members of the VinaCapital Group, their respective officers and employees may from time to time act for other clients or manage other funds which may have a similar or overlapping investment objective and policy to that of the Company. The Investment Manager, and/or any of the other members of the VinaCapital Group, may have conflicts of interest in allocating their time and activity between the Company and other clients and in effecting transactions between the Company and such other clients. In addition, there may be circumstances where investment opportunities will be available to the Company and which may also be suitable for one or more of the funds managed by the Investment Manager or by other members of the VinaCapital Group. A failure on the part of the Investment Manager or the VinaCapital Group to manage properly such conflicts of interest may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

RISKS RELATING TO THE SHARES

Shares may trade at a discount to the Net Asset Value per Share and Shareholders may be unable to realise their investments through the secondary market at Net Asset Value per Share

The value of an investment in the Shares and the income derived from it, if any, may go down as well as up and an investor may not get back the amount invested.

The market price of the Shares may fluctuate independently of their underlying Net Asset Value and may trade at a discount or premium at different times, depending on factors such as supply and demand for the Shares, market conditions and general investor sentiment. In recent years, the shares have traded at a significant discount to the NAV and the Board has sought to limit the discount by operating a share buyback programme. While the Directors may continue to seek to mitigate any discount to Net Asset Value per Share through such discount control mechanisms as they consider appropriate, there can be no guarantee that they will do so or that such mechanisms will be successful. The market value of a Share may therefore trade at a discount to its Net Asset Value per Share.

It may be difficult for Shareholders to realise their investment and there may not be a liquid market in the Shares

Although the Shares are to be admitted to trading on the Main Market, there can be no assurance as to the levels of secondary market trading in the Shares or the prices at which such Shares may trade. Accordingly, Shareholders should not expect that they will necessarily be able to realise, within a period which they would otherwise regard as reasonable, their investment in the Company, nor can they be certain that they will be able to realise their investment on a basis that necessarily reflects the value of the underlying investments held by the Company.

There can be no guarantee that a liquid market in the Shares will develop or that the Shares will trade at prices close to their underlying Net Asset Value. Accordingly, Shareholders may be unable to realise their investment at the Net Asset Value per Share or at all.

In addition, if such a market does not develop, relatively small transactions may have a significant negative impact on the price of the Shares whilst transactions or intended transactions related to a significant number of Shares may be difficult to execute at a stable price.

Shareholders will have no right to have their Shares redeemed or repurchased by the Company at any time

The Company is registered in Guernsey under the Companies Law. Shareholders will have no right to have their Shares redeemed or repurchased by the Company at any time. Shareholders wishing to realise their investment in the Company will normally therefore be required to dispose of their Shares through the secondary market. Accordingly, the ability of Shareholders to realise their investment at Net Asset Value per Share or at all is dependent on the existence of a liquid market for the Shares.

The Shares may be subject to significant forced transfer provisions

The Shares have not been registered and will not be registered in the United States under the U.S. Securities Act or under any other applicable securities laws. If at any time the holding or beneficial ownership of any Shares by any person (whether on its own or taken with other shares), in the opinion of the Directors: (i) would cause the assets of the Company to be treated as "plan assets" of any benefit plan investor under Section 3(42) of ERISA or the U.S. Code; or (ii) would or might result in the Company and shares issued by the Company being required to register or qualify under the U.S. Investment Company Act and/or the U.S. Securities Act and/or the U.S. Securities Exchange Act of 1934 and/or any laws of any state of the U.S. that regulate the offering and sale of securities; or (iii) may cause the Company not to be considered a "Foreign Private Issuer" under the U.S. Securities Exchange Act of 1934; or (iv) may cause the Company to be a controlled foreign corporation for the purpose of the U.S. Code; or (v) creates a significant legal or regulatory issue for the Company under the U.S. Bank Holding Company Act of 1956 (as amended) or regulations or interpretations thereunder, the Directors may require the holder of such Shares to dispose of such Shares and, if the Shareholder does not sell such Shares, may dispose of such Shares on their behalf. These restrictions may make it more difficult for a U.S. Person to hold, and Shareholders generally to sell, the Shares and may have an adverse effect on the market value of the Shares.

Local laws or regulations may mean that the status of the Company or the Shares is uncertain or subject to change, which could adversely affect a Shareholder's ability to hold Shares

For regulatory and tax purposes, the status and treatment of the Company and the Shares may be different in different jurisdictions. For instance, in certain jurisdictions and for certain purposes, the Shares may be treated as units in a collective investment scheme. Furthermore, in certain jurisdictions, the regulatory and tax status of the Company and/or the Shares may be uncertain or subject to change, or it may differ depending on the availability of certain information or as a result of disclosures made by the Company.

Changes in the status or treatment of the Company or the Shares for regulatory and/or tax purposes may have unforeseen effects on the ability of investors to hold Shares or the consequences to investors of doing so.

RISKS RELATING TO TAXATION AND REGULATION

Changes in the Company's tax status or tax treatment may adversely affect the Company and if the Company becomes subject to the UK offshore fund rules there may be adverse tax consequences for certain UK resident Shareholders

Any change in the Company's tax status, or in taxation legislation or practice (in particular in relation to any obligation to withhold tax in respect of payments to the Company or on portfolio investments) in either Guernsey, the United Kingdom, or any jurisdiction in which the Company invests, or in the Company's tax treatment, may affect the value of the investments held by the Company or the Company's ability to pursue successfully and achieve its investment objective and investment policy, or alter the after tax returns to Shareholders. Statements in this document concerning the taxation of Shareholders are based upon current United Kingdom and Guernsey tax law and published practice, any aspect of which law and practice is, in principle, subject to change (potentially with retrospective effect) that may adversely affect the ability of the Company to pursue successfully its investment objective and investment policy and which may adversely affect the taxation of Shareholders.

Statements in this document in particular take into account the United Kingdom offshore fund rules contained in Part 8 of the Taxation (International and Other Provisions) Act 2010. Should the Company or any class of shares issued by the Company be regarded as being subject to the offshore fund rules this may have adverse tax consequences for certain UK resident Shareholders.

In particular, the tax treatment of Shareholders on any return of cash to Shareholders will depend on the taxation legislation and practice in force at the relevant time. Tax law and practice can change frequently and there can be no guarantee that the discount control mechanisms set out in this document can be implemented in a way that is tax efficient for Shareholders.

Potential investors are urged to consult their tax advisers with respect to their particular tax situations and the tax effect of an investment in the Company.

Individual Shareholders may have conflicting investment, tax and other interests with respect to their investments in the Company

Shareholders are expected to include taxable and tax-exempt entities and persons or entities organised and residing in various jurisdictions, who may have conflicting investment, tax and other interests with respect to their investments in the Company. The conflicting interests of individual Shareholders may relate to or arise from, among other things, the nature of investments made by the Company, the structuring of the acquisition of investments, the timing of disposal of investments and the manner in which income and capital generated by the Company is distributed to Shareholders. The structuring of investments and distributions may result in different returns being realised by different Shareholders. As a consequence, conflicts of interest may arise in connection with decisions made by the Investment Manager, including the selection of borrowers in whose debt obligations the Company will invest, which may be more beneficial for one investor than for another investor, especially with respect to investors' individual situations. In selecting and structuring investments appropriate for the Company and in determining the manner in which distributions shall be made to Shareholders, the Investment Manager and the Directors, respectively, will consider the investment and tax objectives of the Company and Shareholders as a whole, not the investment, tax or other objectives of any Shareholder individually, which may have a material adverse effect on the investment returns of individual Shareholders.

If the Company becomes subject to tax on a net income basis in any tax jurisdiction, including Guernsey or the United Kingdom, the Company's financial condition and prospects may be materially and adversely affected

The Company intends to conduct its affairs so that it will not be treated as a UK resident for taxation purposes, or as having a permanent establishment or otherwise being engaged in a trade or business, in the UK. The Company intends that it will not be subject to tax on an income basis in any country. There can be no assurance, however, that the net income of the Company will not become subject to income tax in one or more countries, including Guernsey or the United Kingdom, as a result of unanticipated activities performed by the Company, adverse developments or changes in law, contrary conclusions by the relevant tax authorities, changes in the Directors' personal circumstances or management errors, or other causes. The imposition of any such unanticipated net income taxes may materially reduce the post-tax returns available for distributions on the Shares, and consequently may adversely affect the Company's business, financial condition, results of operations, Net Asset Value and/or the market price of the Shares.

The AIFM Directive may prevent the marketing of the Shares in the European Union, which would be likely to adversely affect liquidity in the Shares and the ability of Shareholders to realise their investment

The AIFM Directive was scheduled to be transposed into the national legislation of each EEA Member State on 22 July 2013. The AIFM Directive has been transposed into national legislation in the UK via The Alternative Investment Fund Managers Regulations 2013.

The AIFM Directive only allows the marketing of non-EEA incorporated Alternative Investment Funds, such as the Company, by an AIFM or its agent under national private placement regimes where EEA Member States choose to retain private placement regimes.

In the UK, this includes an obligation for the AIFM to notify the FCA that it is the person responsible for complying with the implementing provisions relating to the marketing of the relevant company's shares and that the AIFM will comply with the relevant requirements of the AIFM Directive. The FCA may suspend, or revoke, the AIFM's entitlement to market the shares if it appears to the FCA that, amongst other things, one or more conditions confirmed in the FCA notification as being met are no longer satisfied.

Such marketing will also be subject to, amongst other things, (a) the requirement that appropriate cooperation agreements are in place between the supervisory authorities of the relevant EEA member states and the GFSC, and (b) compliance by the AIFM with certain aspects of the AIFM Directive. As at the date of this document, the GFSC had signed bilateral cooperation agreements with 27 securities regulators from the EU and the wider EEA. It is intended that, over time, a passport will be phased in to allow the marketing of non-EEA incorporated alternative investment funds, such as the Company, into the EEA and that national private placement regimes will be phased out. Both the adoption of such a passport and the phasing out of national private placement regimes are subject to certain criteria and are not certain. Consequently, there may be future restrictions on, and a material increase in the compliance costs involved in the active marketing of the Shares in the EEA, which in turn may have a negative effect on the marketing and liquidity generally of the Shares.

The Company has not registered and will not register as an investment company under the U.S. Investment Company Act and the Company's assets could be deemed "plan assets" that are subject to the requirements of ERISA and/or Section 4975 of the U.S. Code

The Company will seek to qualify for an exemption from the definition of "investment company" under the U.S. Investment Company Act and will not register as an investment company in the United States under the U.S. Investment Company Act. The U.S. Investment Company Act provides certain protections to investors and imposes certain restrictions on registered investment companies, none of which are applicable to the Company or its investors. To avoid being required to register as an investment company under the U.S. Investment Company Act and to avoid violating such act, the Company has implemented restrictions on the ownership of its Shares, which may materially affect Shareholders' ability to transfer their Shares to U.S. Persons.

The purchase of Shares by an employee benefit plan subject to ERISA, or Section 4975 of the U.S. Code or by any entity whose assets are treated as assets of any such plan, could result in the assets of the Company being considered plan assets for the purposes of ERISA, and/or Section 4975 of the U.S. Code and regulations made thereunder. In such circumstances the Company, the Investment Manager and also the fiduciaries of such an employee benefit plan could be liable for any ERISA violations by the Company or the Investment Manager and for other adverse consequences under ERISA. Each purchaser and transferee of Shares will be deemed to have represented by its purchase or receipt of the Shares, and throughout the period that it holds the Shares, that it is not an employee benefit plan subject to ERISA or Section 4975 of the U.S. Code or an entity whose assets are treated as assets of any such employee benefit plan. The Directors are also empowered by the Articles to require Shareholders, which they consider may, because of their shareholding result in the assets of the Company being considered plan assets, to transfer their Shares in order to reduce this risk materialising.

Certain payments to the Company may in the future be subject to a 30 per cent. withholding tax unless the Company complies with certain reporting and withholding requirements and certain Shareholders will be required to provide the Company with required information so that the Company may comply with its obligations under FATCA and other similar automatic exchange of information regimes

Under Sections 1471 through 1474 of the U.S. Internal Revenue Code (commonly referred to as "**FATCA**") "Financial Institutions" are required to use enhanced due diligence procedures to identify U.S. Persons who have invested in either non-U.S. financial accounts or non-U.S. entities.

Pursuant to FATCA, certain payments of (or attributable to) U.S.-source income are subject to, and from 1 January 2019 certain payments of (or attributable to) proceeds of sales of property that give rise to U.S.-source payments will be subject to, in either case a 30 per cent. withholding tax unless the Company agrees to certain reporting and withholding requirements ("**FATCA Withholding**").

The United States and Guernsey have entered into an intergovernmental agreement ("**U.S.-Guernsey IGA**") to implement FATCA. Pursuant to Guernsey legislation implementing the

U.S.-Guernsey IGA (the "**Guernsey IGA Legislation**"), the Company will be obliged to comply with the provisions of FATCA rather than directly complying with the U.S. Treasury Regulations implementing FATCA. Under the terms of the U.S.-Guernsey IGA, Guernsey resident entities that comply with the requirements of the Guernsey IGA Legislation will be treated as compliant with FATCA and, as a result, will not be subject to FATCA Withholding on payments they receive and will not be required to withhold under FATCA on payments they make.

The Company expects that it will be considered to be a Guernsey resident financial institution and therefore will be required to comply with the requirements of the Guernsey IGA Legislation. Under the Guernsey IGA Legislation, the Company will be required to report to the Director of Income Tax in Guernsey certain holdings by and payments made to certain U.S. investors in the Company, or to certain investors in the Company that are controlled by one or more U.S. natural persons, as well as to non-U.S. financial institutions that are considered to be Non-Participating Financial Institutions for the purposes of the U.S.-Guernsey IGA. Under the terms of the U.S.-Guernsey IGA, such information will be onward reported by the Director of Income Tax to the United States under the United States-Guernsey Agreement for the Exchange of Information Relating to Taxes, as amended by the Protocol signed on 13 December 2013.

Under the Guernsey IGA Legislation, securities that are "regularly traded" on an established securities market are not considered financial accounts and are not subject to reporting. For these purposes, the Shares will be considered "regularly traded" if there is a meaningful volume of trading with respect to the Shares on an ongoing basis. Notwithstanding the foregoing, from 1 January 2016, a Share will not be considered "regularly traded" and will be considered a financial account if the holder of the Shares (other than a financial institution acting as an intermediary) is registered as the holder of the Share on the Company's share register. Such Shareholders will be required to provide information to the Company to allow the Company to satisfy its obligations under FATCA. Additionally, even if the Shares are considered regularly traded on an established securities market, Shareholders that own the Shares through financial intermediaries may be required to provide information to such financial intermediaries in order to allow the financial intermediaries to satisfy their obligations under FATCA. Notwithstanding the foregoing, the relevant rules under FATCA may change and, even if the Shares are considered regularly traded on an established securities market, Shareholders may, in the future, be required to provide information to the Company in order to allow the Company to satisfy its obligations under FATCA. The Company's FATCA diligence and reporting obligations will be governed by the U.S.-Guernsey IGA and the Guernsey-IGA Legislation.

Further, even if the Company is not characterised under FATCA as a Financial Institution, it nevertheless may become subject to FATCA Withholding on certain U.S.-source payments to it unless it either provides information to withholding agents with respect to its (if any) U.S. controlling persons or certifies that it has no such U.S. controlling persons.

As a result, Shareholders may be required to provide information that the Company determines necessary in order to allow the Company to satisfy its obligations under FATCA.

Additional intergovernmental agreements similar to the U.S.-Guernsey IGA have been entered into or are under discussion by other jurisdictions with the United States. Different rules than those described above may apply depending on whether a payee is resident in a jurisdiction that has entered into an intergovernmental agreement to implement FATCA.

In addition to the U.S.-Guernsey IGA, Guernsey and the United Kingdom have, along with over 50 other jurisdictions, adopted the Organisation for Economic Co-operation and Development's "Common Reporting Standard" ("**CRS**") with effect from 1 January 2016 (other jurisdictions are expected to adopt the CRS with effect from dates on or after 1 January 2017) for the implementation of information exchange arrangements based on FATCA, whereby relevant financial information in respect of accounts maintained in Guernsey for certain persons who are, or are entities that are controlled by one or more natural persons who are, residents for tax purposes of the UK or any other jurisdiction that has adopted the CRS will be reported to the

Director of Income Tax Guernsey for onward reporting to HMRC or the other applicable tax authority. Under legislation enacted in Guernsey to implement the CRS, the Company may be required to provide information to the Guernsey authorities about investors and their interests in the Company in order to fully, discharge its reporting obligations and, in the event of any failure or inability to comply with the proposed arrangements, may suffer a financial penalty or other sanction under Guernsey law.

The scope and application of FATCA Withholding and information reporting pursuant to the terms of FATCA and the CRS are subject to review by the United States, the United Kingdom, Guernsey and the governments of other CRS jurisdictions and the rules may change. Although the UK-Guernsey IGA and U.S.-Guernsey IGA have been implemented by the States of Guernsey, guidance published to date has been in draft format only. Shareholders should consult with their own tax advisers regarding the application of FATCA to their particular circumstances.

IMPORTANT INFORMATION

GENERAL

This document is being furnished by the Company solely for the purpose of admission of the Shares to the Premium Listing Segment of the Official List and to trading on the Main Market. Any reproduction or distribution of this document, in whole or in part, or any disclosure of its contents or use of any information herein for any purpose other than this purpose is prohibited, except to the extent that such information is otherwise publicly available.

This document is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Company that any recipient of this document should purchase or subscribe for Shares.

No person has been authorised to give any information or make any representations in relation to the Company other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by the Company, the Directors, the Investment Manager, Numis or any other person. The delivery of this document shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Numis by FSMA or the regulatory regime established thereunder or under the regulatory regime of any other jurisdiction, Numis accepts no responsibility whatsoever for the contents of this document or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Investment Manager, or the Shares. Numis accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of such document or any such statement.

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and persons into whose possession this document comes should inform themselves about and observe any such restrictions.

This document does not constitute, and may not be used for the purposes of, an offer or an invitation to subscribe or purchase any Shares by any person. The implications of Admission for, and the distribution of this document to Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom ("**Overseas Shareholders**") may be affected by the laws of the relevant jurisdictions in which such Overseas Shareholders are located. Such Overseas Shareholders should inform themselves about and observe all applicable legal requirements.

It is the responsibility of any person into whose possession this document comes to satisfy himself as to his full observance of the laws of the relevant jurisdiction in connection with Admission and the distribution of this document, including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction. Overseas Shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of Admission in their particular circumstances.

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Shares or passed upon the accuracy or adequacy of this document or any other document referred to herein. Any representation to the contrary is a criminal offence.

The Shares have not been nor will they be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. In addition, the

Company has not registered and will not register under the U.S. Investment Company Act. The Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering or the issue of the Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States and the re-offer or resale of any of the Shares in the United States may constitute a violation of U.S. law.

PRESENTATION OF INFORMATION

Market, economic and industry data

Market, economic and industry data used throughout this document is sourced from various industry and other independent sources. The Company and the Directors confirm that such data has been accurately reproduced and, so far as they are aware and are able to ascertain from information published from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Definitions

A list of defined terms used in this document is set out at pages 111 to 115.

Governing law

Unless otherwise stated, statements made in this document are based on the law and practice currently in force in England and Wales and Guernsey and are subject to changes therein.

Historical Information

This document contains certain historical financial and other information concerning the Company's past performance. However, past performance of the Company should not be taken as an indication of future performance.

Reference to credit ratings (Regulation (EC) No 1060/2008)

The credit rating agencies providing ratings to securities referred to in this document (if any) are each established in the EU and registered under Regulation (EC) No. 1060/2008 (as amended). As such, each such credit rating agency is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulations.

Website

The contents of the Company's website and Investment Manager's website, insofar as they relate to the Company or the Shares, do not form part of this document.

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements, including, without limitation, statements containing the words "**believes**", "**estimates**", "**anticipates**", "**expects**", "**intends**", "**may**", "**will**" or "**should**" or, in each case, their negative or other variations or similar expressions. Such forward-looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. These forward-looking statements speak only as at the date of this document. Subject to its legal and regulatory obligations (including under the Prospectus

Rules), the Company expressly disclaims any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based unless required to do so by law or any appropriate regulatory authority, including FSMA, the Listing Rules, the Prospectus Rules and the Disclosure and Transparency Rules.

Nothing in the preceding two paragraphs should be taken as limiting the working capital statement in Part 3 of this document.

EXPECTED TIMETABLE

Publication of prospectus	23 March 2016
Cancellation of Shares from trading on AIM	7.00 a.m. on 30 March 2016
Admission	8.00 a.m. on 30 March 2016

The dates and times specified are subject to change without further notice. All references to times in this document are to London time unless otherwise stated.

DEALING CODES

The dealing codes for the Shares will be as follows:

ISIN	GG00BYXVT888
SEDOL	BYXVT88
Ticker	VOF

DIRECTORS, MANAGEMENT AND ADVISERS

Directors	Steve Bates (*Non-Executive Chairman*) Michael Gray (*Non-Executive Director*) Martin Adams (*Non-Executive Director*) Thuy Bich Dam (*Non-Executive Director*) all of the registered office below:
Registered Office	PO Box 225 Trafalgar Court Les Banques St. Peter Port Guernsey GY1 3QL Channel Islands Tel: +44 (0) 481 745001
Investment Manager	VinaCapital Investment Management Limited PO Box 309 Ugland House Grand Cayman KY1-1104 Cayman Islands
Administrator and Company Secretary	Northern Trust International Fund Administration Services (Guernsey) Limited PO Box 225 Trafalgar Court Les Banques St. Peter Port Guernsey GY1 3QL Channel Islands
Sponsor	Numis Securities Limited The London Stock Exchange Building 10 Paternoster Square London EC4M 7LT United Kingdom
Solicitors to the Company as to English Law	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU United Kingdom
Legal advisers to the Company as to Guernsey Law	Carey Olsen PO Box 98 Carey House Les Banques St Peter Port Guernsey GY1 4BZ Channel Islands
Solicitors to the Sponsor	Hogan Lovells International LLP Atlantic House Holborn Viaduct London EC1A 2FG United Kingdom

Reporting Accountants	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH United Kingdom
Custodian	Standard Chartered Bank (Vietnam) Limited Unit 1810-1815, Keangnam Hanoi Landmark Tower Pham Hung Road Me Tri Ward Nam Tu Liem District Hanoi, 1000 Vietnam Tel: +848 3911 0000
Registrar	Computershare Investor Services (Guernsey) Limited 1 Le Truchot St Peter Port Guernsey GY1 1WD Channel Islands
Auditor for the financial years ended 30 June 2013, 2014 and 2015	PricewaterhouseCoopers 21/F Edinburgh Tower 15 Queens Road Central Hong Kong
Auditor for the financial year ending 30 June 2016	PricewaterhouseCoopers CI LLP PO Box 321 Royal Bank Place 1 Glategny Esplanade St. Peter Port Guernsey GY1 4ND Channel Islands
Principal bankers	Standard Chartered Bank (Vietnam) Limited Level 10, Saigon Trade Center 37 Ton Duc Thang District 1, Ho Chi Minh City Vietnam

PART 1

INFORMATION ON THE COMPANY

1. INTRODUCTION

The Company was incorporated with limited liability in the Cayman Islands under the Cayman Islands Companies Law (2002 Revision) on 14 March 2003. On 22 March 2016, the Company, via a process of cross-border continuance transferred its legal domicile from the Cayman Islands to Guernsey and was registered as a closed-ended company limited by shares incorporated in Guernsey with registered number 61765.

The Company was admitted to trading on AIM on 30 September 2003. Since its admission to AIM, the Company has grown to become one of the largest funds through which international investors can obtain an active, professionally managed well-diversified exposure to investment in Vietnam. As at 29 February 2016 the Company's Net Asset Value (unaudited) was US$687.9 million and the Net Asset Value per Share (unaudited) was US$3.25.

The Company has appointed VinaCapital Investment Management Limited as its discretionary investment manager. The Investment Manager is part of the VinaCapital Group. The VinaCapital Group is a leading investment management and real estate development firm in Vietnam. In addition to the Company, the VinaCapital Group manages two other AIM quoted investment companies (VinaLand Limited and Vietnam Infrastructure Limited), a Luxembourg UCITS (Forum One – VCG Partners Vietnam Fund) and a range of other investment products focused on Vietnam. VinaCapital Group also co-manages DFJ VinaCapital L.P., a technology venture capital fund with Draper Fisher Jurvetson. The Company has been managed by a company in the VinaCapital Group since it was first admitted to trading on AIM.

As at 29 February 2016, the VinaCapital Group had total assets under management with a principal value of approximately US$1.3 billion (unaudited).

As previously announced by the Company on 1 October 2015, the Board has been considering, for some time, methods to achieve improved liquidity and valuation of its Shares and believes that a Premium Listing and a move to the Main Market will place the Company in a position to improve the liquidity and valuation of the Shares. Further, the Board believe that the Main Market is a more appropriate market for a company of the size and maturity of the Company, and provides a more appropriate platform for the continued growth of the Company and to further raise its profile. Applications have been made to the UK Listing Authority for all of the issued Shares to be admitted to the Premium Listing segment of the Official List and to trading on the Main Market. It is expected that Admission will become effective and dealings will commence on 30 March 2016. At that date the admission of the Shares to trading on AIM will be cancelled.

2. INVESTMENT OBJECTIVE

The Company's objective is to achieve medium to long-term returns through investment either in Vietnam or in companies with a substantial majority of their assets, operations, revenues or income in, or derived from, Vietnam.

3. INVESTMENT POLICY

All of the Company's investments will be in Vietnam or in companies with at least 75 per cent. of their assets, operations, revenues or income in, or derived from, Vietnam at the time of investment.

No single investment may exceed 20 per cent. of the Net Asset Value of the Company at the time of investment.

The Company may from time to time invest in other funds focused on Vietnam. This includes investments in other funds managed by the Investment Manager. Any investment or divestment of funds managed by the Investment Manager will be subject to prior approval by the Board. No more than 10 per cent., in aggregate, of the value of the Company's total assets may be invested in other listed closed-ended investment funds. The restriction on investment in other listed closed-ended investment funds does not apply to investments in closed-ended investment funds which themselves have published investment policies to invest no more than 15 per cent. of their total assets in other listed closed-ended investment funds.

The Company may from time to time make co-investments alongside other investors in private equity, real estate or similar assets. This includes, but is not restricted to, co-investments alongside other funds managed by the Investment Manager.

The Company may gear its assets through borrowings which may vary substantially over time according to market conditions and any or all of the assets of the Company may be pledged as security for such borrowings. Borrowings will not exceed 10 per cent. of the Company's total assets at the time that any debt is drawn down.

From time to time the Company may hold cash or low risk instruments such as government bonds or cash funds denominated in either Vietnamese Dong or US Dollars, either in Vietnam or outside Vietnam.

Breach of the investment policy

In the event of a breach of the investment policy set out above, the Investment Manager shall inform the Directors upon becoming aware of the same and if the Directors consider the breach to be material, notification will be made via a Regulatory Information Service announcement.

Material change to the investment policy

No material change will be made to the investment policy without the approval of Shareholders by ordinary resolution.

4. INVESTMENT STRATEGY

The Investment Manager's focus is on key growth sectors of the Vietnamese economy, including but not limited to real estate, construction, materials, financial services, healthcare, education, consumer goods, and logistics. The Investment Manager and its senior management team seek to capitalise on their broad business network to realise sustainable capital appreciation and provide attractive levels of return for investors.

5. MARKET OVERVIEW

The Board, as advised by the Investment Manager, believes that Vietnam is poised to grow steadily in the next three years on the back of a stable economic environment and GDP growth of 6-7 per cent. The cost of funding within Vietnam has dropped, making it easier for businesses to borrow and the Board, as advised by the Investment Manager, consider that this will help grow domestic businesses. On 4 February 2016 Vietnam's government approved the signing of the Trans-Pacific Partnership ("**TPP**") which will allow it to export to other TPP nations with low or no tariffs which should, along with other free-trade agreements under consideration, stimulate the export sector, creating wealth as well as jobs.

6. PORTFOLIO

As at 22 March 2016 (being the latest practicable date prior to the publication of this document), the Company held 50 investments with the entire portfolio having an aggregate value of US$700.7 million (unaudited).

Largest Investments

The table below shows the top 10 holdings of the Company as at 22 March 2016 (being the latest practicable date prior to the publication of this document) representing 58.7 per cent. of the Net Asset Value:

Investment	*Sector (Asset Class)*	*Description*	*% of unaudited NAV*
Vinamilk (VNM)	Food & beverage (Listed equities)	Leading dairy company with dominant market share.	15.4
Sofitel Legend Metropole Hotel Hanoi	Hospitality (Operating assets)	One of Vietnam's premium hotels. VOF holds a 50 per cent. stake in the hotel.	8.9
Hoa Phat Group (HPG)	Construction materials (Listed equities)	Largest steel manufacturer in Vietnam.	7.2
International Dairy Product (IDP)	Food & beverage (Private equity	Leading privately held dairy company with strong growth potential.	5.1
Khang Dien House (KDH)	Real estate (Listed equities)	Leading property developer with an attractive asset base strategically located in District 9, HCMC.	4.4
Eximbank (EIB)	Financial services (Listed equities)	One of Vietnam's top ten commercial banks.	4.0
Century 21	Real estate (Real estate projects)	HCMC residential development.	3.8
Phu Nhuan Jewelry	Consumer discretionary	The largest jewellery manufacturer and distributor in Vietnam	3.5
Hau Giang Pharmaceuticals (DHG)	Pharmaceuticals & health care (Listed equities)	The largest domestic pharmaceutical producer in Vietnam.	3.4
VinaLand (VNL)	Real estate (Overseas listed equities)	VinaCapital managed Vietnam real estate Group development fund.	3.2
Total % of NAV			**58.7**

Asset Class Analysis

The table below shows the asset class weightings for the Company as at 22 March 2016 (being the latest practicable date prior to the publication of this document):

Asset	*% of unaudited NAV*
Listed equities	49.4
Private Equity	15.0
Real estate projects	14.3
Operating assets	10.4
OTC Stocks	5.7
Overseas equities	3.5
Cash and others	1.7
Total	100

Sectoral Analysis

The table below shows the sector weightings for the Company as at 22 March 2016 (being the latest practicable date prior to the publication of this document):

Sector	*% of unaudited NAV*
Real estate & construction	26.3
Food & Beverage	22.7
Construction materials	11.4
Operating assets	10.4
Consumer discretionary	6.2
Mining, oil & gas	5.0
Financial services	4.9
Pharmaceuticals & Healthcare	4.6
Agriculture	3.3
Infrastructure	2.4
Cash and others	1.7
Industrials	1.0
Total	**100**

7. INVESTMENT CRITERIA AND INVESTMENT PROCESS

The basis of the Company's approach to investment is to conduct extensive research on potential holdings and use that output to select a limited number of positions which are believed to have the capacity to deliver good returns to shareholders over time. The Directors intend that the portfolio will be developed in such a way as to take, where practicable, relatively large stakes in those enterprises which have been approved by the investment committee of the Investment Manager.

7.1 ***Sourcing investments***

The senior management of the Investment Manager have extensive networks and knowledge of Vietnamese companies and capital markets which help in the identification of investment opportunities.

In so doing, the Investment Manager applies, *inter alia*, the following resources and investment criteria:

- within the VinaCapital Group, there is a research team which has a long history of analysis of companies in the Vietnamese markets. Combined with the expertise and knowledge of the Investment Manager's senior management and, where appropriate, external advisers, the objective is to identify companies which have sound products and good growth prospects;
- the Company generally seeks to identify businesses with prospects for, or a record of, profit growth, with appropriately incentivised and capable management teams who have adopted proven business models and which have the realistic potential of exit through a trade sale, listing in Vietnam or in another country;
- the Investment Manager utilises its sourcing capabilities in real estate investment and expertise in property development to invest from time to time in projects in that sector which offer attractive potential; and
- the Directors, in conjunction with the Investment Manager, also aim to achieve a balance in the Company's exposure to different economic sectors and asset classes.

7.2 ***Due diligence procedures***

Once an investment opportunity has been identified, the Investment Manager conducts analysis of the investment (including strategy, operations, financials, management and risks), and the sector in which it operates. The Investment Manager evaluates the risks associated with the business and will also assess how the inclusion of a holding within the Company's portfolio of investments affects the overall portfolio risk. The Investment Manager's analysis also includes consultation with the investment committee of the Investment Manager and the Investment Manager's risk management committee to ensure that all risks are identified and properly considered.

7.3 ***Investment approval***

Each investment proposal is presented to Jason Ng (director and investment committee chairman), Andy Ho (managing director), Loan Dang (deputy managing director), Duong Vuong (deputy managing director) and Khanh Vu (investment director), who form the investment committee of the Investment Manager, for review and approval. In reviewing each potential investment, the investment committee will consider a range of factors including a detailed analysis of the investment opportunity. Only those opportunities approved by the investment committee will be executed.

7.4 ***Investment monitoring and exit strategy***

After making an investment, the Investment Manager continues to monitor the progress of the Company's investment to keep appraised of its operational and financial performance, and, where appropriate, to offer assistance to enhance its effectiveness. In some cases, members of the senior management of the Investment Manager will serve as board and committee members of investee companies. Throughout the investment cycle, the Investment Manager actively seeks exit opportunities that will allow the Company to meet target returns. The Company exits investments primarily by selling shares on the stock exchange, or by selling to other investors (i.e. trade sale).

8. DIVIDEND POLICY

In any financial year the Company has the discretion to pay dividends to Shareholders subject to the solvency test prescribed by Guernsey law.

The Directors currently intend to reinvest available excess liquidity to take advantage of opportunities meeting the Company's investment and return objectives and do not intend to pay dividends.

9. CALCULATION OF NET ASSET VALUE

The Net Asset Value and the Net Asset Value per Share shall be calculated (and rounded to two decimal places), in U.S. Dollars by the Administrator and Company Secretary (or such other person as the Directors may appoint for such purpose from time to time) on a monthly basis (or at such other times as the Investment Manager may determine but in any event at least quarterly).

The Net Asset Value shall be the value of all assets of the Company less the liabilities of the Company determined in accordance with the valuation guidelines adopted by the Directors from time to time.

Under current valuation guidelines adopted by the Directors, such values shall be determined as follows:

- the value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the Directors shall have determined that the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Directors may consider appropriate to reflect the true value thereof;

- the value of securities which are quoted or dealt in on any stock exchange (including any securities traded on an "over the counter market") shall be based on the last traded prices on such stock exchange, or if there is more than one stock exchange on which the securities are traded or admitted for trading, that which is normally the principal stock exchange for such security, provided that any such securities which are not freely transferable, or which are not regularly traded, or which for any other reason are subject to limited marketability, shall be valued at a discount (the amount of such discount being determined by the Directors in their absolute discretion or in a manner so approved by the Directors);

- as regards unquoted securities:

  – unquoted investments will initially be valued at fair value, with any expenses relating to their acquisition expensed in the income statement;

  – a revaluation of unquoted investments to a value in excess of or below cost may be made in the circumstances provided by and in accordance with the International Private Equity and Venture Capital Valuation Guidelines, which are available at www.privateequityvaluation.com;

  – all other assets and liabilities shall be valued at their respective fair values as determined in good faith by the Directors and in accordance with generally accepted valuation principles and procedures;

- any value other than in U.S. Dollars shall be translated at any officially set exchange rate or appropriate spot market rate as the Directors deem appropriate in the circumstances having regard, inter alia, to any premium or discount which may be relevant and to costs of exchange; and

- real estate projects are initially valued at fair value, with any expenses relating to their acquisition expensed in the income statement. Once an investment licence is obtained, or by way of other arrangements the Company has a legal entitlement to an investment property, the investment property is revalued. The valuation process consists of obtaining two or more valuations for each property from independent third-party valuation companies. The valuations are reviewed by the Company's audit and valuation committee. At the end of each quarter, the Investment Manager and its investment committee also reviews all real estate investments for possible impairment based on internal calculations.

If the Directors consider that any of the above bases of valuation are inappropriate in any particular case or generally, they may adopt such other valuation or valuation procedure as they consider reasonable. The Directors may delegate to the Investment Manager any of their discretions under the valuation guidelines.

The Administrator and Company Secretary will be reliant on information from the Directors, the Investment Manager or the administrator of the underlying subsidiaries of the Company. In the event that this information is delayed, this will impact the ability of the Administrator and Company Secretary to finalise the Net Asset Value calculation. The Administrator and Company Secretary shall not be liable for any loss suffered by the Company by reason of any error resulting from any inaccuracy in the information provided.

Details of each monthly Net Asset Value are announced by the Company through a Regulatory Information Service generally within ten days of each month end and published on the Company's website.

The calculation of the Net Asset Value will only be suspended in circumstances where the underlying data necessary to obtain a value for the investments of the Company cannot readily, or without undue expenditure, be obtained or in other circumstances (such as a system's failure of the Administrator and Company Secretary) which prevents the Company from making such calculations. Details of any suspension in making such calculations will be announced through a Regulatory Information Service as soon as practicable after any such suspension occurs.

10. REPORTS, ACCOUNTS AND MEETINGS

The audited accounts of the Company are prepared in U.S. Dollars in accordance with IFRS. The Company's annual report and accounts will be prepared up to 30 June each year. It is expected that copies of the report and accounts will be sent to Shareholders by the end of October each year. The Company will also publish an unaudited half-yearly report covering the six months to 31 December each year. The financial report and accounts and unaudited half-yearly report once published will be available for inspection at the Company's registered office and on the Company's website.

The Company will hold its next annual general meeting before 31 December 2016 and will hold an annual general meeting each year thereafter.

11. PREMIUM AND DISCOUNT MANAGEMENT

The Board has the discretion to seek to manage, on an on-going basis, the premium or discount at which the Shares may trade to their Net Asset Value through further issues and buy-backs, as appropriate.

Discount Control

Following Admission, the Directors will consider repurchasing Shares in the market if they believe it to be in Shareholders' interests as a whole and as a means of correcting any imbalance between the supply of and demand for the Shares.

An ordinary resolution has been passed granting the Directors authority to repurchase up to 14.99 per cent. of the Company's issued share capital immediately following Admission during the period expiring on the conclusion of the earlier of the Company's next annual general meeting in 2016 and 31 December 2016. Renewal of this buy-back authority will be sought at each annual general meeting of the Company.

The Directors will only make such repurchases through the market at prices (after allowing for costs) below the relevant prevailing Net Asset Value per Share under the guidelines established from time-to-time by the Board. Purchases of Shares may be made only in accordance with the Companies Law and the Disclosure and Transparency Rules. Under the current Listing Rules, the maximum price that may be paid by the Company on the repurchase of any Shares pursuant to a general authority is 105 per cent. of the average of the middle market quotations for the Shares for the five business days immediately preceding the date of purchase or, if higher, that stipulated by Article 5(1) of the Buy Back and Stabilisation Regulation (EC No 2273/2003) prior to 3 July 2016, or on or after 3 July 2016 the amount stipulated by Regulatory Technical Standards adopted by the European Commission pursuant to Article 5 (6) of the Market Abuse Regulation (EU) No. 596/2014.

Shareholders should note that the purchase of Shares by the Company is at the absolute discretion of the Directors and is subject to the working capital requirements of the Group and the amount of cash available to the Company to fund such purchases. Accordingly, no expectation or reliance should be placed on the Directors exercising such discretion on any one or more occasions.

Premium Management

From Admission, the Directors have authority to issue up to 21,134,625 Shares (being equal to 10 per cent. of the Company's issued share capital at Admission) on a non-pre-emptive basis. Any such new Shares shall only be issued at a price which represents a premium to the prevailing Net Asset Value per Share. Such authority shall expire on 31 December 2016 or, if earlier, the conclusion of the Company's next annual general meeting to be held before 31 December 2016.

Shareholders should note that the issuance of new Shares is entirely at the discretion of the Board, and no expectation or reliance should be placed on such discretion being exercised on any one or more occasions or as to the proportion of new Shares that may be issued.

Treasury Shares

Any Shares repurchased pursuant to the general authority referred to above may be held in treasury. The Companies Law allows companies to hold Shares acquired by the Company as treasury shares up to a maximum amount of 10 per cent. of the total number of issued Shares, rather than having to cancel them. These Shares may be subsequently cancelled or sold for cash. This would give the Company the ability to sell Shares held in treasury quickly and cost efficiently, thereby improving liquidity and providing the Company with additional flexibility in the management of its capital base.

Unless authorised by Shareholders, no Shares will be sold from treasury at a price less than the Net Asset Value per Share at the time of the sale unless they are first offered pro-rata to existing Shareholders.

12. LIFE OF THE COMPANY

The Company does not have a fixed life. However, the Board considers it desirable that Shareholders should have the opportunity to review the future of the Company at appropriate intervals. Accordingly, the Board intends that a special resolution will be proposed every fifth year that the Company ceases to continue as currently constituted. If the resolution is not passed, the Company will continue to operate for a further five years. If the resolution is passed, the Directors will be required to formulate proposals to be put to Shareholders to reorganise, unitise or reconstruct the Company or for the Company to be wound up. The Board tabled such special resolutions in 2008 and 2013, each of which was not passed. This has allowed the Company to continue. The next special resolution on the continuation of the Company will be held in 2018.

13. TAXATION

Potential investors are referred to Part 4 of this document for details of the taxation of the Company and Shareholders in the UK, Guernsey and Vietnam. Investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK, Guernsey and Vietnam are strongly advised to consult their own professional advisers immediately.

14. RISK FACTORS

The Company is exposed to significant risks and the Company's performance is dependent on many factors. Investors should read the whole of this document and in particular the section entitled "Risk Factors" on pages 19 to 34.

15. SETTLEMENT AND DEALINGS

The Shares are in registered form and are capable of being held in certificated or uncertificated form.

Settlement of transactions in Shares may take place within the Euroclear or Clearstream systems at the option of each Shareholder. Euroclear and Clearstream are paperless settlement systems which allow securities to be evidenced without a certificate and transferred otherwise than by written instrument.

In addition, with effect from Admission, the Shares will be capable of being, transferred into, held and settled via CREST. CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of Shares under the CREST system. The Company has applied for the Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Shares following Admission may take place within the CREST system if any Shareholder so wishes.

Following Admission, the price of the Shares will be quoted in Sterling on the London Stock Exchange.

The Company does not guarantee that at any particular time market maker(s) will be willing to make a market in the Shares, nor does it guarantee the price at which a market will be made in the Shares. Accordingly, the dealing price of the Shares may not necessarily reflect changes in the Net Asset Value per Share.

16. NON-MAINSTREAM POOLED INVESTMENTS

The Board notes the rules of the FCA on the promotion of non-mainstream pooled investments, effective from 1 January 2014. The Board conducts the Company's affairs and intends to continue to conduct its affairs, so that the Shares will be "excluded securities" under the FCA's rules. This is on the basis that the Company, which is resident outside the EEA, would qualify for approval as an investment trust by the Commissioners for HMRC under sections 1158 and 1159 of the Corporation Tax Act 2010 if resident in the United Kingdom. Therefore, the Shares will not be deemed to be non-mainstream pooled investments.

17. TYPICAL INVESTOR

An investment in the Shares is only suitable for institutional investors and professionally advised private investors who understand and are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which may equal the who amount invested that may result from such an investment. Furthermore, an investment in the Shares should constitute part of a diversified investment portfolio. It should be remembered that the price of securities and the income from them can go down as well as up.

PART 2

DIRECTORS, MANAGEMENT AND ADMINISTRATION

1. DIRECTORS

The Directors are responsible for the determination of the Company's investment objective and investment policy and have overall responsibility for the Company's activities including the review of investment activity and performance and the control and supervision of the Investment Manager. All of the Directors are non-executive and are independent of the Investment Manager.

The Directors will meet at least four times a year to, inter alia, review and assess the Company's investment policy and strategy, the risk profile of the Company, the Company's investment performance, the performance of the Company's service providers, including the Investment Manager and the Administrator and Company Secretary, and generally to supervise the conduct of its affairs. The Company's audit and valuation committee will meet at least twice per annum.

The Directors are as follows:

Steve Bates, *(Chairman) (aged 58 (date of birth: 16/09/1957))*

Steve Bates is a veteran investor in emerging markets, having spent most of his career with the Fleming Group and its successor JP Morgan Asset Management, where he led the emerging markets team. Over the past 12 years, Mr. Bates has continued to manage investments across the emerging world working for Guardcap Asset Management (previously known as Zephyr) and has added a number of non-executive roles in investment companies.

Michael G Gray, *non-executive director (aged 70 (date of birth: 28/12/1945))*

Michael G. Gray has over 30 years' professional accounting experience and trained as a chartered accountant with Coopers & Lybrand in the UK. He was admitted as a member to the Institute of Chartered Accountants of England and Wales (FCA) in 1976. Prior to his accounting career, Mr Gray spent 10 years' in the shipping industry. Apart from being a FCA, Mr Gray has a Bachelor of Science Degree in Maritime Studies from Plymouth University, a Master of Arts in South East Asian Studies from the National University of Singapore and Doctor of Business (Honoris Causa) from the University of Newcastle in Australia. He is also a Fellow of the Chartered Institute of Logistics and Transport, a Fellow of the Institute of Singapore Chartered Accountants and a Fellow of the Singapore Institute of Directors. Mr Gray was a partner in PricewaterhouseCoopers Singapore and was the founding Territorial Senior Partner for PricewaterhouseCoopers Indochina (Vietnam, Cambodia and Laos). He is a board member of several companies in Singapore, including Avi-tech Electronics Ltd, GSH Corporation Holdings Ltd, Ascendas India Trust and FSL Trust Management Plc Ltd. Mr Gray has also held many positions on the boards of voluntary welfare organisations and government committees in Singapore.

Martin Adams, *non-executive director (aged 57 (date of birth: 06/11/1958))*

Martin Adams has over 30 years investment and banking experience in emerging markets and has forged a career serving as an independent director of listed and unlisted funds. Since 1991, he has been actively involved as a director, or with the investment manager, of eight funds in Vietnam. He is currently chairman of Eastern European Property Fund Limited, Kubera Cross Border Fund Limited, Trading Emissions Plc and Trinity Capital Plc, and a non-executive director of a number of other funds.

Thuy Bich Dam, *non-executive director (aged 54 (date of birth: 10/09/1961))*

Ms. Thuy Bich Dam began her career at Vietnam's Ministry of Science, Technology and Environment, responsible for coordinating treaties between the government and the World

Intellectual Property Organisation (WIPO) and the European Patent Office (EPO). From 1996 to 2005, Ms. Dam worked as the Natural Resources Director of ANZ Investment Bank (Singapore). Following this, Ms. Dam was appointed as the CEO Vietnam, CEO Greater Mekong Region and Vice Chairwoman for the Greater Mekong Region for ANZ Bank Vietnam over a span of nearly eight years. Ms. Dam is currently the Chief Representative of the National Australian Bank in Vietnam. She holds a Bachelor's degree in English from Hanoi University, an MBA Finance from The Wharton School of Business and completed the Advanced Management Program from Harvard Business School.

It is expected that a new non-executive director resident in Guernsey will be appointed to the Board in due course following Admission.

2. THE INVESTMENT MANAGER

The Company has appointed the Investment Manager to act as the Company's discretionary investment manager and accordingly the Investment Manager is responsible for the day to day management of the Company's investment portfolio on a discretionary basis in accordance with the Company's investment objective and investment policy. The Investment Manager's activities are subject to the overall control and supervision of the Directors. The Investment Manager was incorporated in the Cayman Islands on 18 July 2008 under the Cayman Islands Companies Law (registered number IC-214389).

The Investment Manager is a member of the VinaCapital Group. The VinaCapital Group is a leading investment management and real estate development firm in Vietnam. In addition to the Company, the VinaCapital Group manages two AIM quoted investment companies (VinaLand Limited and Vietnam Infrastructure Limited), a Luxembourg UCITS (Forum One – VCG Partners Vietnam Fund) and a range of other investment products focused on Vietnam. The VinaCapital Group also co-manages DFJ VinaCapital L.P. a technology venture capital fund with Draper Fisher Jurvetson.

As at 29 February 2016, the VinaCapital Group had total assets under management with a principal value of approximately US$1.3 billion (unaudited).

2.1 *Investment Management Team*

The biographies of the lead members of the investment management team are set out below:

Don Lam *(Chief Executive Officer)*

Don Lam is a founding partner of the Investment Manager and has more than 20 years' experience in Vietnam. He has overseen the Investment Manager's growth from the manager of a single US$10 million fund in 2003 into a leading investment management and real estate development firm in Southeast Asia, with a diversified portfolio of approximately US$1.3 billion in assets under management. Before founding the Investment Manager, Mr Lam was a partner at PricewaterhouseCoopers (Vietnam), where he led the corporate finance and management consulting practices throughout the Indochina region. Additionally, Mr Lam set up the VinaCapital Foundation whose mission is to empower the children and youth of Vietnam by providing opportunities for growth through health and education projects. He also is the Vice-Chairman, Global Agenda Council on ASEAN for the World Economic Forum. He has a degree in Commerce and Political Science from the University of Toronto, and is a member of the Institute of Chartered Accountants of Canada. He is a Certified Public Accountant and holds a Securities License in Vietnam.

Brook Taylor *(Chief Operating Officer)*

Brook Taylor has more than 20 years of management experience, including eight years as a senior partner with major accounting firms. Previously, Brook was deputy managing partner of Deloitte in Vietnam and head of the firm's audit practice. He was also managing partner of Arthur Andersen Vietnam and a senior audit partner at KPMG. Brook has lived and worked in Vietnam since 1997. Brook's expertise spans a broad range of management and finance areas including accounting, business planning, audit, corporate finance, taxation, and IT systems risk management. He holds an MBA from INSEAD, a B.A. in Commerce and Administration from Victoria University of Wellington, New Zealand, and is a member of the New Zealand Institute of Chartered Accountants.

Andy Ho *(Managing Director and Chief Investment Officer)*

Andy Ho is Managing Director and Chief Investment Officer of the Investment Manager, where he oversees the capital markets, private equity, fixed income and venture capital investment teams. Previously, Mr Ho was Director of Investment at Prudential Vietnam's fund management company, where he managed the capital markets portfolio and Prudential's bank investment strategy. He has also held management positions at Dell Ventures (the investment group of Dell Computer Corporation) and Ernst & Young. Mr Ho is a leading authority on capital markets investment, privatisations, and private equity deals and structures in Vietnam, where he has led private placement deals totalling over USD700 million. He holds an MBA from the Massachusetts Institute of Technology and is a Certified Public Accountant in the United States.

Loan Dang *(Deputy Managing Director)*

Loan Dang joined VinaCapital Group in August 2005 and is responsible for the Company's private equity investments. Ms Dang has led numerous private equity and private placement deals for the Company, and holds board positions at several of the Company's investee companies. Ms Dang has previous experience at KPMG Vietnam and Unilever Vietnam. She has an MBA from the University of Hawaii and holds an FCCA (UK) fellow membership and a BA in Finance and Accounting from the University of Economics, Ho Chi Minh City.

Duong Vuong *(Deputy Managing Director)*

Duong Vuong is responsible for the Company's capital market investments. Mr Vuong has 20 years of investment experience including the last 8 years in Vietnam. Previously, Mr Vuong was a Research Head at PXP Vietnam Asset Management where he managed a team of analysts responsible for producing investment ideas for all of the firm's portfolios. Prior to working in Vietnam, he held various positions including Senior Investment Analyst for ADIA in Abu Dhabi and Banks Analyst for Merrill Lynch in London. He is a CFA charter holder having gained the CFA designation in 2001.

2.2 ***Investment Management Agreement***

The Company and the Investment Manager have entered into the Investment Management Agreement, a summary of the key terms is set out at paragraph 7.2 of Part 5 of this document, under which the Company has appointed the Investment Manager to act as the Company's discretionary investment manager. Accordingly the Investment Manager is responsible for the day to day management of the Company's investment portfolio, subject to the overall control and supervision of the Directors.

The Investment Manager is paid an annual management fee equal to 1.5 per cent. per annum of the Net Asset Value, payable monthly in arrears.

The Investment Manager is also entitled to receive an incentive fee. For the purpose of calculating the incentive fee, the net assets have been segregated into two portfolios of investments: the Capital Markets Portfolio and the Direct Real Estate Portfolio. A separate incentive fee is calculated for each Portfolio and operates independently so that for any financial year it will be possible for an incentive fee to become payable in relation to one, both or neither Portfolio, depending on the performance of each Portfolio. Further details in relation to the calculation of the incentive fees under the Investment Management Agreement are set out at paragraph 7.2 of Part 5 of this document.

As announced with the Company's annual results for the year ended 30 June 2015, there has been a difference of interpretation between the Company and the Investment Manager about certain provisions of the Investment Management Agreement relating to the incentive fee. The Investment Manager and the Board have agreed that the Investment Management Agreement will be modified to reduce the possibility of differences of interpretation in the future. It is planned that the necessary revisions to the Investment Management Agreement will be agreed and signed prior to the end of the current financial year on 30 June 2016.

The Investment Management Agreement may be terminated on six months' written notice by either party save that the agreement may be terminated at any time in the event of the insolvency of the Company or the Investment Manager and in certain other circumstances.

3. OTHER SERVICE PROVIDERS

3.1 *Administrator and Company Secretary*

Northern Trust International Fund Administration Services (Guernsey) Limited has been appointed as administrator and company secretary to the Company pursuant to the Administration Agreement (further details of which are set out at paragraph 7.4 of Part 5 of this document). In such capacity, the Administrator and Company Secretary is responsible for the day to day administration of the Company including but not limited to the calculation and publication of the estimated Net Asset Value, maintenance of the Company's accounting and statutory records and acting as Company Secretary.

Details of the fees and expenses payable to the Administrator and Company Secretary are set out in the section entitled "Fees and Expenses" below.

3.2 *Custodian*

Standard Chartered Bank (Vietnam) Limited has been appointed as custodian of the Company's assets pursuant to the Custodian Agreement (further details of which are set out at paragraph 7.3 of Part 5 of this document). In acting as custodian of the Company's investments, the Custodian has custody of cash and all other securities eligible for custody with the Custodian.

Details of the fees and expenses payable to the Custodian are set out in the section entitled "Fees and Expenses" below.

3.3 *Registrar*

Computershare Investor Services (Guernsey) Limited has been appointed to provide registrar services to the Company pursuant to the Registrar Agreement (further details of which are set out at paragraph 7.5 of Part 5 of this document). Under the Registrar Agreement, the Registrar has responsibility for maintaining the register of Shareholders, receiving transfers of Shares for certification and registration, receiving and registering Shareholders' dividend payments together with related services.

Details of the fees and expenses payable to the Registrar are set out in the section entitled "Fees and Expenses" below.

3.4 *Auditor*

PricewaterhouseCoopers CI LLP shall provide audit services to the Company. The annual report and accounts will be prepared according to IFRS.

4. FEES AND EXPENSES OF THE COMPANY

4.1 *Expenses relating to Admission*

The estimated total cost of the migration of the Company from the Cayman Islands to Guernsey and Admission is between US$1.2 million and US$1.5 million, equivalent to between 0.17 per cent. and 0.21 per cent. of the Company's Net Asset Value. These costs will be borne solely by the Company.

4.2 *On-going annual expenses*

Ongoing annual expenses will include the following:

Management and incentive fees payable to the Investment Manager

The Investment Manager is paid an annual management fee equal to 1.5 per cent. per annum of the Net Asset Value, payable monthly in arrears.

The Investment Manager is also entitled to receive an incentive fee. For the purpose of calculating the incentive fee, the net assets have been segregated into two portfolios of investments: the Capital Markets Portfolio and the Direct Real Estate Portfolio. A separate incentive fee is calculated for each Portfolio and operates independently so that for any financial year it will be possible for an incentive fee to become payable in relation to one, both or neither Portfolio, depending on the performance of each Portfolio. Further details in relation to the calculation of the incentive fees under the Investment Management Agreement are set out at paragraph 7.2 of Part 5 of this document.

Administrator and Company Secretary

For the provision of the services under the Administration Agreement, the Administrator and Company Secretary is entitled to receive an annual fee to be calculated as a percentage of the Company's Net Asset Value (5 basis points if the Net Asset Value is under US$400 million, 4 basis points if the Net Asset Value is between US$400 million and US$700 million and 2 basis points if the Net Asset Value is in excess of US$700 million), subject to a minimum monthly fee of US$20,833. In addition, a fixed annual fee of US$120,000 will also be charged for corporate governance and company secretarial services provided by the Administrator and Company Secretary to the Company (the parties may by agreement revise these fees from time to time). The Administrator and Company Secretary is also entitled to an initial fee of US$40,000. The Company will also reimburse the Administrator and Company Secretary for disbursements and reasonable out of pocket expenses properly incurred by the Administrator and Company Secretary on behalf of the Company.

Registrar

Under the terms of the Registrar Agreement, the Registrar is entitled to receive from the Company certain annual maintenance and activity fees, subject to a minimum fixed fee of £5,500 per annum.

Custodian

Under the terms of the Custody Agreement, the Custodian is entitled to receive from the Company a safekeeping and administration fee on each transaction calculated using a basis point fee charge based on the country of settlement and the value of the assets together with various other payment/wire charges on outgoing payments, subject to an aggregate minimum fee of US$5,000 per month.

Directors

Each of the Directors is entitled to receive a fee from the Company. The fees for the Directors are determined within the limits set out in the Articles. Save for the Chairman of the

Board, the fees for each Director is currently US$75,000 per annum. A further fee of US$5,000 per annum is payable for membership of the audit and valuation committee save that a fee of US$15,000 is payable to Mr Gray as Chairman of the committee. The Chairman's fee is US$90,000 per annum. The fees of the Directors are currently subject to a maximum annual cap of US$500,000 pursuant to the Articles.

Each of the Directors will also be entitled to be paid all reasonable expenses properly incurred by them in attending general meetings, board or committee meetings or otherwise in connection with the business of the Company. The Board may determine that additional remuneration may be paid, from time to time, to any one or more Directors in the event such Director or Directors are requested by the Board to perform extra or special services on behalf of the Company.

Auditor

The Auditor will be entitled to receive from the Company an annual fee, which fee will be agreed with the Board each year in advance of the Auditor commencing audit work.

Other operational expenses

Other ongoing operational expenses (excluding fees paid to service providers as detailed above) of the Company will be borne by the Company including travel, accommodation, printing, audit, finance costs, legal fees (including those incurred on behalf of the Company by the Investment Manager), fees incurred in connection with the acquisition, holding and disposal of investments, corporate broking fees and annual London Stock Exchange fees. These expenses will be deducted from the assets of the Company (which includes any income). All reasonable out-of-pocket expenses of, the Investment Manager, the Administrator and Company Secretary, the Registrar, the Custodian and the Directors relating to the Company will be borne by the Company.

Given that many of the fees are ad hoc in their nature, the maximum amount of fees, charges and expenses that the Company may incur in any year cannot be calculated in advance.

5. CONFLICTS OF INTEREST

The Investment Manager

The Investment Manager and other members of the VinaCapital Group currently undertake similar business for, amongst others, VinaLand Limited, Vietnam Infrastructure Limited and Forum One – VCG Partners Vietnam Fund and may in the future be engaged to provide management or advisory services to other investment vehicles or managed accounts ("**Future Funds**"). Certain parts of the investment policy of VinaLand Limited and/or Vietnam Infrastructure Limited and/or Forum One – VCG Partners Vietnam Fund do, and the investment policies of Future Funds may, overlap with the investment policy of the Company and that accordingly circumstances may arise which involve a conflict or potential conflict of interest with the Investment Manager's respective duty to the Company and to VinaLand and/or Vietnam Infrastructure Limited and/or Forum One – VCG Partners Vietnam Fund and/or Future Funds including investment or exit opportunities identified by the Investment Manager that are suitable for both the Company and VinaLand Limited and/or Vietnam Infrastructure Limited and/or Forum One – VCG Partners Vietnam Fund and/or Future Funds. Where any such conflict or potential conflict arises the Investment Manager shall allocate the investment or exit opportunity between the Company and VinaLand and/or Vietnam Infrastructure Limited and/or Forum One – VCG Partners Vietnam Fund and/or any Future Funds on a fair and reasonable basis in accordance with the provisions of the Investment Management Agreement.

The Investment Manager has a conflicts of interest policy (the "**Conflicts of Interest Policy**") which requires the directors, officers, partners, members and employees of the Investment Manager and other members of the VinaCapital Group to disclose to the Investment Manager any proposed transactions or other relationships involving any such person or their close family members which may involve a potential conflict with the Investment Manager's duty to the Group.

Where any conflict arises that would fall within the provisions of Part 4 of the Registered Collective Investment Scheme Rules 2015, the Investment Manager shall ensure that the "arm's length requirement" (as described in that part) is satisfied.

The Directors

In relation to transactions in which a Director is interested, the Articles provide that, subject to due disclosure in accordance with the Companies Law, (i) a Director may be counted in the quorum and vote at any board meeting notwithstanding that he, (a) may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director on such terms as to the tenure of office and otherwise as the Directors may determine; (b) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested; (c) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, a shareholder of or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested; (d) may act by himself or his firm in a professional capacity for the Company, other than as auditor, and he or his firm shall be entitled to remuneration for professional services as though he were not a Director of the Company; and (ii) a Director shall not, by reason of his office, be accountable to the Company for any remuneration or benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

The Directors are also required by the Registered Collective Investment Scheme Rules 2015 to take all reasonable steps to ensure that there is no breach of any of the conflict of interest requirements in those Rules.

6. THE TAKEOVER CODE

The Takeover Code applies to the Company.

7. CORPORATE GOVERNANCE

General

Chapter 9 of the Listing Rules requires that the Company must "comply or explain" against the UK Corporate Governance Code. In addition, the Disclosure and Transparency Rules require the Company to, (i) make a corporate governance statement in its annual report and accounts based on the code to which it is subject, or with which it voluntarily complies; and (ii) describe its internal control and risk management systems.

The Directors recognise the value of the UK Corporate Governance Code and have taken appropriate measures to ensure that the Company complies, so far as is possible given the Company's size and nature of business, with the UK Corporate Governance Code. The areas of non-compliance by the Company with the UK Corporate Governance Code are in respect of the provisions relating to:

- the role of the chief executive;
- the appointment of a senior independent director;
- executive directors' remuneration; and
- the need for an internal audit function.

The Board considers these provisions are not relevant to the position of the Company because it is an externally managed investment company and it has no employees and therefore no requirement for a chief executive, and by reason of the size and composition of the Board.

As at the date of this document, the Company complies with the AIC Code and is a member of the AIC. In accordance with such code, the Company meets its obligations in respect of the UK Corporate Governance Code.

The Finance Sector Code of Corporate Governance issued by the GFSC (the "**GFSC Code**") applies to the Company. Companies which report against the UK Corporate Governance Code or the AIC Code are deemed to meet the requirements of the GFSC Code.

Audit and valuation committee

The Company's audit and valuation committee which consists of all the Directors, is chaired by Mr Gray and meets at least twice a year. The Board considers that the members of the audit and valuation committee have the requisite skills and experience to fulfil the responsibilities of the audit and valuation committee.

The committee is responsible for monitoring the process of production, and ensuring the integrity, of the Company's accounts. The primary responsibilities of the committee are: to oversee the relationship with the Auditors and make recommendations to the Board in relation to their re-appointment and to approve their remuneration and terms of engagement; to assess the Auditors' independence and objectivity and the effectiveness of the audit process; to review the effectiveness of the Company's internal control environment; to identify, assess, monitor and mitigate the risks associated with the Company's business; to monitor adherence to best practice in corporate governance; and to review the Company's whistleblowing arrangements and its procedures for detecting fraud and preventing bribery and corruption.

In discharging its responsibility to oversee the Auditors' independence, the audit and valuation committee considers whether any other engagements provided to the Auditors will have an effect on, or perception of, compromising the Auditors' independence and objectivity. The performance of services outside of the external audit must be specific and approved by the audit and valuation committee chairman.

In respect of its remit over the valuation of investments, the committee's primary goal is to ensure that the Company's investments are recorded at fair value. In doing so, the committee reviews the reports of independent valuation specialists as well as reviewing the Investment Manager's valuation process. Each individual is reviewed in detail and the recommendations of the independent valuers may be accepted or modified. The committee approves the fair value of investments used to prepare the financial statements.

The audit and valuation committee's chairman presents the committee's findings to the Board at each Board meeting.

Management engagement committee

The Company has also established a management engagement committee which consists of all the Directors, and is chaired by Mr Adams. The management engagement committee meets at least once a year. Its principal responsibilities include reviewing the performance of the Investment Manager under the Investment Management Agreement and considering any variation to the terms of the agreement. The committee also reviews the performance of the Company Secretary, corporate brokers, custodian, administrator and registrar and any matters concerning their respective agreements with the Company.

Remuneration committee

The Company's remuneration committee comprises all the Directors and is chaired by Ms Dam. The committee's responsibilities include: determining the policy for the remuneration of the

Chairman, the Company Secretary and any executive directors (with the non-executive directors' remuneration being a matter for the Chairman and the other executive members of the Board and not for the committee); reviewing the on-going appropriateness and relevance of the remuneration policy; agreeing the policy for authorising Directors' expenses claims; and the selection and appointment of any remuneration consultants who advise the committee. The committee meets at the discretion of the chairman of the committee or a majority of the members of the committee.

Nomination committee

The Company's nomination committee comprises all the Directors and is chaired by Mr Bates. The committee's responsibilities include: reviewing the structure, size and composition of the Board and making recommendations to the Board in respect of any changes; succession planning for the Chairman and the Directors; making recommendations to the Board concerning the membership and chairmanship of the Board committees; identifying and nominating for the approval of the Board candidates to fill Board vacancies; and before any new appointment is recommended; evaluating the balance of skills, knowledge, experience and diversity within the Board and preparing an appropriate role description. The committee meets at least once a year.

8. DIRECTORS' SHARE DEALING

The Company has adopted a share dealing code for the Board pursuant to which the Directors will comply with the Model Code. The Company is required to comply with the Model Code pursuant to the Listing Rules. The Board will be responsible for taking all proper and reasonable steps to ensure compliance with the share dealing code by the Directors.

PART 3

FINANCIAL AND OTHER INFORMATION RELATING TO THE GROUP

The annual reports and audited financial statements of the Company and Group for each of the three financial years ended 30 June 2013, 2014 and 2015 are reproduced in sections A, B and C respectively of Part 7 of this document. For the year ended 30 June 2015, the Company has adopted the "Investment Entities" amendments to IFRS 10, "Consolidated financial statements". The amendments define an investment entity and introduce an exception from the consolidation requirements for investment entities. On adoption, the Company has determined that it meets the definition of an investment entity (see Note 2.2 in the audited financial statements for the financial year ended 30 June 2015). As a result, it has changed its accounting policy with respect to its investments in subsidiaries. The Company's subsidiaries, which were previously consolidated, are now accounted for at fair value through profit or loss. This change in accounting policy has been applied retrospectively in accordance with the transition provision of IFRS 10 and the amendments to IFRS 10. The impact of the change on the Company's financial position and results for the financial year ended 31 June 2014 has been disclosed in Note 2.15 in the audited financial statements for the financial year ended 30 June 2015.

Where the annual reports and audited financial statements of the Group as reproduced in Part 7 of this document make reference to other documents, such other documents are not incorporated into and do not form part of this document.

Contained in the annual reports is a discussion of the Group's results of operations and financial condition for the financial years ended 30 June 2013, 2014 and 2015 which have all been prepared in accordance with IFRS. Prospective investors should read the following discussion, together with the whole of this document, including the Risk Factors, and the annual reports and financial statements of the Company and the consolidated financial statements of the Group as reproduced in Part 7 of this document and should not just rely on the key or summarised information contained in this Part 3. Save for the financial statements as reproduced in Part 7 of this document none of the information in this document has been audited.

Accounting policies

The financial statements of the Group as reproduced in Part 7 of this document have been prepared in accordance with IFRS. IFRS comprises standards and interpretations approved by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee as at each relevant accounting period.

Operating and financial review

The published annual reports and audited financial statements for the three financial years ended 30 June 2013, 2014 and 2015 are reproduced in sections A, B and C respectively of Part 7 of this document and include, on the pages of this document specified in the table below, descriptions of the Company and the Group's financial condition (in both capital and revenue terms), changes in its financial condition and details of the Company and the Group's portfolio for each of those years.

	12 months to 30 June		
Annual Report	*2013*	*2014*	*2015*
(page number of this document)			*(restated)*
Portfolio performance	129-142	254-270	378-400
Financial condition	117-121	242-244	369-373
Significant factors affecting income	148-151	276-279	406-409
Material changes in revenue and operating results	117-121	242-244	369-373
Policies and factors which could affect operations	176-190	304-318	435-457(1)
Capital resources	152-153, 208-209	280-281, 336	409-410 467

(1) The impact of the Company's adoption of IFRS 10 "Consolidated financial statements" on the Company's financial information is set out in Note 2 of the audited financial statements for the year ended 30 June 2015 on pages 442 to 453 of this document.

Summary financial information

The table below sets out the key financial information that has been extracted without material adjustment from the audited financial statements in respect of the financial years ended 30 June 2013, 2014 and 2015, each of which are reproduced in full in Part 7 of this document. The Company believes that this information summarises the financial condition and operating results over the relevant period.

US$'000 otherwise stated	*As at 30 June 2013*	*As at 30 June 2014*	*As at 30 June 2014 (restated)*	*As at 30 June 2015*
Net Asset Value	753,532	779,804	771,380	718,664
Net Asset Value per share (US$)	2.88	3.27	3.24	3.27
Total assets	771,843	805,488	781,645	723,744
Operating profit/(loss)	99,985	87,572	88,983	(5,372)
Net profit/(loss) attributable to the owners of the Company	90,254	81,666	88,983	(5,372)
Earnings/(loss) per share (US$)	0.31	0.33	0.36	(0.02)
Total comprehensive income/(loss) attributable to the owners of the Company	82,652	78,812	88,983	(5,372)

Capitalisation and indebtedness of the Company

The indebtedness information set out below has been extracted without material adjustment from the Company's unaudited management accounts as at 31 December 2015. The capitalisation information set out below has been extracted without material adjustment from the Company's audited financial statements for the financial year ended 30 June 2015. This information is presented under IFRS and the accounting policies of the Company as adopted in the financial statements for the year ended 30 June 2015. As at 31 December 2015, the Company had gross indebtedness of nil.

Gross Indebtedness	*As at 31 December 2015* *US$ thousand*
Total current debt	
Guaranteed	–
Secured	–
Unguaranteed/unsecured	–
Total current debt	–

Gross Indebtedness	*As at 31 December 2015* *US$ thousand*
Total non-current debt	
Guaranteed	–
Secured	–
Unguaranteed/unsecured	–
Total non-current debt	–

Capitalisation	*As at 30 June 2015* *US$ thousand*
Equity attributable to equity shareholders of the Company	
Share capital	3,246
Additional paid-in capital	722,064
Treasury shares	(213,283)
Total capitalisation	562,027

As at the date of this document, there has been no material change to the capitalisation of the Company since 31 December 2015, save for the share buybacks undertaken by Visaka Holdings Limited, a wholly-owned subsidiary of the Company and the cancellation of shares held in treasury, as described in section 3.4 of Part 5 of this document. As a result, the capitalisation of the Company as at 31 December 2015 was US$498,656 thousand, comprising share capital of US$2,145 thousand and additional paid in capital of US$496,511 thousand.

Net liquidity	*As at 31 December 2015* *US$ thousand*
Cash	349
Cash equivalents	–
Trading securities	**349**
Liquidity	
Current bank debt	–
Other current financial debt	–
Current financial indebtedness	–
Non-current bank loan	–
Non-current financial indebtedness	–
Net financial liquidity	349

Working capital

The Company is of the opinion that the working capital available to the Company is sufficient for its present requirements, that is, at least the next 12 months from the date of this document.

No significant change

There has been no significant change in the financial condition or trading position of the Group since 30 June 2015, being the date to which the Company's latest audited financial information has been prepared.

Reports and accounts

The Company's annual reports and audited financial statements are prepared up to 30 June each year. Copies of the annual reports and audited financial statements are sent to Shareholders within four months of the year end date. Shareholders also receive an unaudited interim report covering the six months to 31 December each year, which is dispatched within three months of that date each year.

PART 4

TAXATION

Introduction

The information below, which relates only to Guernsey, United Kingdom and Vietnam taxation, summarises the advice received by the Board from the Company's advisers so far as applicable to the Company and to persons who are resident in Guernsey, the United Kingdom and Vietnam for taxation purposes and who hold Shares as an investment. It is based on current Guernsey, United Kingdom and Vietnam tax law and published practice which is, in principle, subject to any change (potentially with retrospective effect). Certain Shareholders, such as dealers in securities, collective investment schemes, insurance companies and persons acquiring their Shares in connection with their employment may be taxed differently and are not considered. The tax consequences for each Shareholder of investing in the Company may depend on the Shareholder's own tax position and upon the relevant laws of any jurisdiction to which the Shareholder is subject.

If you are in any doubt as to your tax position, you should consult your own professional adviser without delay.

Guernsey

The following summary of the anticipated tax treatment in Guernsey of the Company is based on Guernsey taxation law and practice in force at the date of this document and does not constitute legal or tax advice. Prospective investors should consult their professional advisers on the implications of subscribing for, buying, holding, selling, redeeming or disposing of Shares under the laws of the jurisdictions in which they may be liable to taxation. Prospective investors should be aware that tax rules and practice and their interpretation may change, possibly retrospectively.

The Company

The Company has applied for and has been granted exempt status for Guernsey tax purposes. The Directors of the Company intend that the Company will apply for and be granted exempt status for Guernsey tax purposes annually. A fee, currently £1,200, is payable on each application.

If exempt status is granted, the Company will be treated as not being resident in Guernsey for Guernsey income tax purposes. Under current law and practice in Guernsey, a company that has exempt status for Guernsey tax purposes is liable to tax in Guernsey in respect of income arising or accruing in Guernsey other than from a relevant bank deposit. It is anticipated that no income other than bank interest will arise in Guernsey and therefore the Company is not expected to incur any additional liability to Guernsey tax.

The Directors expect the Company to be able to continue to apply for and be granted Guernsey tax exempt status. In the absence of tax exempt status, the Company would be Guernsey tax resident and taxable at the Guernsey standard rate of company income tax, which is currently zero per cent.

Guernsey currently does not levy taxes upon capital, inheritances, capital gains, gifts, sales or turnover, nor are there any estate duties, save for registration fees and ad valorem duty for a Guernsey Grant of Representation where the deceased dies leaving assets in Guernsey which require presentation of such a Grant.

No stamp duty or other taxes are chargeable in Guernsey on the issue, transfer, disposal, conversion or redemption of Shares.

Shareholders

Shareholders who are not resident in Guernsey for tax purposes may receive dividends without deduction of Guernsey income tax. Shareholders who are resident for tax purposes in Guernsey (which includes Alderney and Herm) will incur Guernsey income tax at the applicable rate on any dividends paid on Shares owned by them but will suffer no deduction of tax by the Company from any such dividends paid by the Company where the Company is granted exempt status. The Company is required to provide to the Director of Income Tax in Guernsey such particulars relating to any distribution paid to Guernsey resident Shareholders as the Director of Income Tax may require, including the names and addresses of the Guernsey resident Shareholders, the gross amount of any distribution paid and the date of payment. The Director of Income Tax can require the Company to provide the name and address of every Guernsey resident who, on a specified date, has a beneficial interest in Shares in the Company, with details of the interest.

EU Savings Directive

Although not a Member State of the European Union, Guernsey, in common with certain other jurisdictions, entered into agreements with Member States to implement measures similar to the EU Savings Directive (2003/48/EC) (the "**EU Savings Directive**"). However, such measures do not apply to payments made by closed-ended investment companies.

On 10 November 2015 the Council of the European Union repealed the EU Savings Directive from 1 January 2016 (1 January 2017 in the case of Austria, and subject to ongoing requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the EU Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU), which implements the Common Reporting Standard in the EU. Guernsey is in the process of seeking confirmation from each Member State that the repeal of the EU Savings Directive suspends the equivalent agreements that the Member States have with Guernsey. It is anticipated that all Member States, other than Austria, will give this confirmation. Discussions with Austria are ongoing and it may be that the equivalent agreement with Austria continues to have effect until 31 December 2016 (at which point the EU Savings Directive will cease to apply to Austria). As part of the repeal of the EU Savings Directive and Guernsey's adoption of the Common Reporting Standard (see below) Guernsey is also intending to suspend domestic EU Savings Directive legislation with effect from 1 January 2016 (whilst retaining the relevant provisions to enable reports for 2015 to be made), although this process may be delayed pending the outcome of discussions with the Austrian authorities.

Foreign Account Tax Compliance

On 13 December 2013 the Chief Minister of Guernsey signed an intergovernmental agreement with the United States ("**U.S.-Guernsey IGA**") regarding the implementation of FATCA. Under FATCA and legislation enacted in Guernsey to implement the U.S.-Guernsey IGA, the Company is required to report certain information about certain Shareholders who are, or are entities that are controlled by one or more natural persons who are, residents or citizens of the United States, unless a relevant exemption applies. Where applicable, information that will need to be disclosed will include certain information about Shareholders, their ultimate beneficial owners and/or controllers, and their investment in and returns from the Company. If the Company does not comply with these obligations, it may be subject to a FATCA deduction on certain payments to it of US source income (including interest and dividends) and proceeds from the sale of property that could give rise to US source interest or dividends (from 1 January 2019). The U.S.-Guernsey IGA is implemented through Guernsey's domestic legislation in accordance with guidance that is published in draft form.

Under the U.S.-Guernsey IGA, securities that are "regularly traded" on an established securities market, such as the London Stock Exchange's market for listed securities, are not considered financial accounts and are not subject to reporting. For these purposes, the Shares will be considered "regularly traded" if there is a meaningful volume of trading with respect to the Shares on an ongoing basis. Notwithstanding the foregoing, from 1 January 2016, a Share will not be considered "regularly traded" and will be considered a financial account if the holder of the Shares is not a financial institution acting as an intermediary. Such holders will be required to provide information to the Issuer to allow the Issuer to satisfy its obligations under FATCA, although it is expected that whilst the Shares are held within CREST, the holder of the Shares will be a financial institution acting as an intermediary.

Common Reporting Standard

On 13 February 2014, the Organization for Economic Co-operation and Development released the "Common Reporting Standard" ("**CRS**") designed to create a global standard for the automatic exchange of financial account information, similar to the information to be reported under FATCA. On 29 October 2014, fifty-one jurisdictions signed the multilateral competent authority agreement ("**Multilateral Agreement**") that activates this automatic exchange of FATCA-like information in line with the CRS. Since then further jurisdictions have also signed the Multilateral Agreement and in total over 90 jurisdictions have committed to adopting the CRS.

Early adopters who signed the Multilateral Agreement (including Guernsey) have pledged to work towards the first information exchanges taking place by September 2017. Others are expected to follow with information exchange starting in 2018.

Under the CRS and legislation enacted in Guernsey to implement the CRS with effect from 1 January 2016, certain disclosure requirements will be imposed in respect of certain Shareholders who are, or are entities that are controlled by one or more natural persons who are, residents of any of the jurisdictions that have also adopted the CRS, unless a relevant exemption applies. It is expected that, where applicable, information that would need to be disclosed will include certain information about Shareholders, their ultimate beneficial owners and/or controllers, and their investment in and returns from the Company. Under the CRS, there is currently no reporting exemption for securities that are "regularly traded" on an established securities market. The CRS is implemented through Guernsey's domestic legislation in accordance with guidance that is published in draft form that is supplemented by guidance issued by the Organization for Economic Co-operation and Development.

All prospective investors should consult with their own tax advisers regarding the possible implications of FATCA, the CRS and any other similar legislation and/or regulations on their investment in the Company.

If the Company fails to comply with any due diligence and/or reporting requirements under Guernsey legislation implementing the CRS and/or the U.S.-Guernsey IGA then the Company could be subject to (in the case of the U.S.-Guernsey IGA) US withholding tax on certain US source payments, and (in either case) the imposition of financial penalties introduced pursuant to the relevant implementing regulations in Guernsey. Whilst the Company will seek to satisfy its obligations under the CRS and the U.S.-Guernsey IGA and associated implementing legislation in Guernsey to avoid the imposition of any financial penalties under Guernsey law, the ability of the Company to satisfy such obligations will depend on receiving relevant information and/or documentation about each Shareholder and the direct and indirect beneficial owners of the Shares (if any). There can be no assurance that the Company will be able to satisfy such obligations.

Request for Information

The Company reserves the right to request from any Shareholder or potential investor such information as the Company deems necessary to comply with FATCA, any agreement with the US Internal Revenue Service in relation to FATCA from time to time in force, or any obligation arising under the implementation of any applicable regime, including the U.S.-Guernsey IGA and the CRS, relating to FATCA and the automatic exchange of information with any relevant competent authority.

Vietnam

Tax position of the Company

Foreign companies conducting business activities through a permanent establishment in Vietnam will be subject to Vietnam corporate income tax ("**CIT**"). A permanent establishment is defined as business or production establishments through which foreign companies carry out part or all of their business or production activities in Vietnam, including:

- branches, executive offices, factories, workshops, means of transport, mines, oil and gas fields or other sites of exploitation of natural resources in Vietnam;
- construction sites and construction, installation or assembly works;
- establishments providing services, including also consultancy services through employees or other organisations or individuals;
- agents for foreign companies;
- representatives in Vietnam, including representatives authorised to sign contracts in the name of foreign companies or representatives not authorised to sign contracts in the name of foreign companies but regularly delivering goods or providing services in Vietnam;

In each case where an effective double treaty which Vietnam has signed has different provisions on permanent establishments, the provisions of that treaty prevail.

Dividends

No dividend withholding tax or profit remittance tax is currently imposed on dividends paid by Vietnamese companies to the Company.

Interest

Interest paid to the Company, including interest on bonds (except for tax exempt bonds), loans and certificates of deposit issued to the Company, are subject to 5% interest withholding tax.

Capital assignment profit tax ("CAPT")

Vietnam does not operate a separate 'capital gains tax' regime but has CAPT rules within the CIT regulations. The CAPT implications depend on whether capital in an enterprise or securities are transferred.

Gains derived by the Company on transfers of capital in a Vietnam limited liability company or non public joint stock company are subject to the standard CIT rate (currently 20 per cent.).

Transfers of securities, including the transfer of bonds and shares in public joint stock companies, by the Company are subject to tax on a deemed basis. The tax rate is 0.1 per cent. of the total disposal proceeds for each assignment transaction.

Recent legislative changes indicate that Vietnam will seek to tax the sale of an indirect interest in a Vietnam company. Detailed implementing guidance is pending.

If the vendor is a tax resident of a country that has entered into a double tax treaty with Vietnam, it may be entitled to a CIT exemption (subject to certain conditions under each double tax treaty and subject to submission of a separate notification to the tax authorities in Vietnam). Vietnam has entered into double tax treaties with more than 70 countries but there is no double tax treaty between Vietnam and Guernsey.

Transfers of capital and transfers of securities are not subject to VAT.

United Kingdom

The Company

The Company should not be resident in the United Kingdom for tax purposes. Accordingly, on the basis that the Company is not tax resident in the United Kingdom and provided that the Company does not carry on a trade in the United Kingdom (whether or not through a branch, agency or permanent establishment situated therein), the Company will not be subject to United Kingdom corporation tax, nor will it be subject to United Kingdom income tax other than on certain United Kingdom source income.

Shareholders

The following statements do not constitute tax advice and are intended only as a general guide to current UK tax law and current published practice of the UK HM Revenue & Customs department, both of which are subject to change at any time, possibly with retrospective effect.

The statements refer to certain limited aspects of the UK tax treatment of Shareholders that are resident (and in the case of individuals, domiciled) in the UK for UK tax purposes and (except to the extent stated otherwise) apply only to persons who:

- Are the absolute owner (i.e. the legal and beneficial owner) of the Ordinary Shares.
- Hold their Ordinary Shares as investments and not as securities to be realised in the course of a trade;
- Have not (and are not deemed to have) acquired their Shares by virtue of an office or employment (whether current, historic or prospective) and are not officers or employees of any member of the Group;

These statements may not apply to certain classes of investors who are subject to different tax rules. Such persons may include (but are not limited to): dealers in securities, insurance companies, collective investment schemes and Shareholders who are exempt from UK taxation.

UK Offshore Fund Rules

The Directors consider that the Company should not constitute an "offshore fund" for the purposes of Part 8 of the Taxation (International and Other Provisions) Act 2010, on the basis that a reasonable investor holding Shares should not expect to be able to realise all or part of their investment in the Shares on a basis calculated entirely or almost entirely by reference to the net asset value of the assets of the Company or an index of any description, otherwise than on a liquidation or winding up and the Company is not designed to be wound up on a stated or determinable date. Accordingly, individual and corporate Shareholders should not be liable to United Kingdom income tax or corporation tax on income respectively in respect of any gain on disposal of the Shares, but they may, depending on their individual circumstances be liable to United Kingdom capital gains tax or corporation tax on chargeable gains realised on the disposal of their Shares.

Tax on Chargeable Gains

A disposal of Shares by a Shareholder who is resident in the United Kingdom for tax purposes or who is not so resident but carries on a trade, profession or vocation in the UK through a branch, agency or permanent establishment with which their investment in the Company is connected may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of capital gains, depending on the Shareholder's circumstances and subject to any available exemption or relief.

For individual Shareholders capital gains tax at the rate of 18 per cent. (2015/2016) (for basic rate taxpayers) or 28 per cent. (2015/2016) (for higher or additional rate taxpayers) may be payable on any gain. Assuming that the Finance Bill 2016 is enacted as proposed, from 6 April 2016, for individual shareholders, capital gains tax at the rate of 10 per cent. (for basic rate taxpayers) or

20 per cent. (for higher or additional rate taxpayers) may be payable on any gain. Individuals may benefit from certain reliefs and allowances (including an annual exemption, which exempts the first £11,100 (tax year 2015/16) of gains from tax) depending on their circumstances. The annual exempt amount is expected to remain at £11,100 for individuals for the tax year 2016/17.

Shareholders that are bodies corporate resident in the United Kingdom for taxation purposes will benefit from indexation allowance which, in general terms, increases the chargeable gains tax base cost of an asset in accordance with the rise in the retail prices index but indexation allowance cannot create or increase an allowable loss. Such Shareholders will be subject to corporation tax on chargeable gains at their applicable corporation tax rate of up to 20 per cent. (financial years 2015 and 2016).

Dividends

Individuals who are Shareholders resident in the United Kingdom for tax purposes will be liable to UK income tax in respect of dividends paid by the Company. An individual Shareholder resident in the UK for tax purposes and in receipt of a dividend from the Company will, provided they own less than 10 per cent. (2015/2016) of the Shares, be entitled to claim the benefit of a non-repayable dividend tax credit equal to one ninth of the dividend received. The effect of the dividend tax credit would be to extinguish any further tax liability for eligible basic rate taxpayers (who pay tax at the dividend ordinary rate of 10 per cent. (2015/2016)).

The effect for eligible higher rate taxpayers (who pay tax at the dividend upper rate of 32.5 per cent.) (2015/2016) would be to reduce their effective tax rate to 25 per cent. of the cash dividend received. United Kingdom resident individual taxpayers who pay income tax at the additional rate on taxable income in excess of £150,000 will be subject to 37.5 per cent. (2015/2016) tax on dividends (reduced to an effective tax rate of approximately 30.6 per cent. of the cash dividend received for eligible taxpayers as a result of applying the tax credit).

The UK Government has announced that from 6 April 2016 the dividend tax credit will be abolished. The government intends to introduce, with effect from this date, a new dividend allowance in the form of a 0 per cent. tax rate on the first £5,000 of dividend income received by a UK resident individual Shareholder in a year. It is proposed that the dividend tax rates for any additional dividend income above £5,000 will be set at 7.5 per cent. for basic rate taxpayers, 32.5 per cent. for higher rate taxpayers and 38.1 per cent. for additional rate taxpayers (2016/2017). Dividend income that is within the dividend allowance will still count towards an individual's basic or higher rate limits. Dividend income will still be treated as the top slice of a Shareholder's income. These changes are expected to be given effect by the Finance Act 2016 in due course. Draft legislation effecting this change was published on 9 December 2015. The above statements are based on the draft legislation and the information that has been made publically available to date in relation to the announced changes, both of which could be subject to change.

Shareholders that are bodies corporate resident in the United Kingdom for tax purposes, and that are not "small companies", may be able to rely on Part 9A of the Corporation Tax Act 2009 to exempt dividends from being chargeable to UK corporation tax if they hold less than 10 per cent. of the issued share capital of the Company, and are entitled to less than 10 per cent. of the profits or assets of the Company available for distribution, or another exemption is applicable.

Shareholders within the charge to UK corporation tax which are "small companies" (as that term is defined in section 931S of the Corporation Tax Act 2009) will be liable to corporation tax on dividends paid to them by the Company because the Company is not resident in a "qualifying territory" for the purposes of the legislation contained in the Corporation Tax Act 2009.

UK pension funds will be exempted from a charge to tax but will not be able to reclaim the notional tax credit associated with the dividend paid by the Company prior to 6 April 2016.

Withholding Tax

The Company is not required to withhold UK tax at source from any dividends paid by it to Shareholders.

*Stamp Duty and Stamp Duty Reserve Tax ("**SDRT**")*

No UK stamp duty or SDRT will arise on the issue of Shares. No UK stamp duty will be payable on a transfer of Shares, provided that all instruments effecting or evidencing the transfer (or matters or things done in relation to the transfer) are not executed in the United Kingdom and no matters or actions relating to the transfer are performed in the United Kingdom. Provided that the Shares are not registered in any register kept in the United Kingdom by or on behalf of the Company and that the Shares are not paired with shares issued by a company incorporated in the United Kingdom, any agreement to transfer the Shares will not be subject to UK SDRT.

*Individual Savings Accounts ("**ISAs**") and Small Self-Administered Schemes ("**SSASs**")/Self-Invested Personal Pensions ("**SIPPs**")*

Shares acquired in the secondary market should be eligible for inclusion in a stocks and shares ISA, subject to applicable subscription limits. Investors resident in the United Kingdom who are considering acquiring Shares in the secondary market are recommended to consult their own tax and/or investment advisers in relation to the eligibility of the Shares for ISAs.

The annual ISA investment allowance is £15,240 for the tax year 2015-2016 and 2016-2017. The Shares should be eligible for inclusion in a SSAS or SIPP, subject to the discretion of the trustees of the SSAS or SIPP, as the case may be but investors resident in the United Kingdom who are considering acquiring Shares in the secondary market are recommended to consult their own tax and/or investment advisers in relation to the eligibility of the Shares for SSAS/SIPPs.

Other United Kingdom tax considerations

Controlled Foreign Companies

United Kingdom resident companies having an interest in the Company, such that 25 per cent. or more of the Company's profits for an accounting period could be apportioned to them, may be liable to United Kingdom corporation tax in respect of their share of the Company's profits in accordance with the provisions of Part 9A of the Taxation (International and Other Provisions) Act 2010 relating to controlled foreign companies. These provisions only apply if the Company is controlled by United Kingdom resident persons (corporate and individuals).

Section 13 of the Taxation of Chargeable Gains Act 1992 ("Section 13")

The attention of persons resident in the United Kingdom for taxation purposes is drawn to the provisions of Section 13. Section 13 applies to a "participator" for UK taxation purposes (which includes a Shareholder) if at any time when a gain accrues to the Company which constitutes a chargeable gain for those purposes, the Company is itself controlled by a sufficiently small number of persons so as to render the Company a body corporate that would, were it to have been resident in the United Kingdom for taxation purposes, be a "close" company for those purposes.

The provisions of Section 13 could, if applied, result in any such person who is a "participator" in the Company being treated for the purposes of United Kingdom taxation of chargeable gains as if a part of any chargeable gain accruing to the Company had accrued to that person directly, that part being equal to the proportion of the gain that corresponds to that person's proportionate interest in the Company as a "participator". No liability under Section 13 could be incurred by such a person however, where the amount apportioned to such person and to persons connected with him does not exceed one quarter of the gain.

Transfer of Assets Abroad

The attention of individuals resident in the UK is drawn to sections 714 to 751 of the Income Tax Act 2007, which contains provisions for preventing avoidance of UK tax by transactions resulting in the transfer of assets to persons (including companies) abroad and may render them liable to taxation in respect of the income of the persons abroad.

Transactions in Securities

The attention of Shareholders is drawn to anti-avoidance legislation in Chapter 1, Part 13 of the Income Tax Act 2007 and Part 15 of the Corporation Tax Act 2010 that could apply if Shareholders are seeking to obtain tax advantages in prescribed conditions.

If any prospective investor is in doubt as to his taxation position, he is strongly recommended to consult an independent professional adviser without delay.

PART 5

ADDITIONAL INFORMATION

1. THE COMPANY

1.1 The Company was incorporated with limited liability in the Cayman Islands as an exempted company under the Companies Law (2002 Revision) of the Cayman Islands on 14 March 2003 with registered number CR – 124038 and with the name Vietnam Millennium Fund Limited. On 15 July 2003, the Company changed its name to Vietnam Opportunity Fund Limited. The Shares were admitted to trading on AIM on 30 September 2003. On 21 October 2008, the Company changed its name to VinaCapital Vietnam Opportunity Fund Limited. On 22 March 2016, the Company, via a process of cross-border continuance transferred its legal domicile from the Cayman Islands to Guernsey and was registered as a company incorporated in Guernsey with registered number 61765. The Company is a Registered Closed-ended Collective Scheme pursuant to The Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, and the Registered Collective Investment Schemes Rules 2015 issued by the GFSC. The Company operates under the Companies Law and ordinances and regulations made thereunder.

1.2 The registered office and principal place of business of the Company is P.O. Box 255, Trafalgar Court, Les Banques, St. Peter Port, Guernsey, GY1 3QL, Channel Islands with telephone number +44 (0)481 745001.

1.3 The Company is neither regulated nor authorised by the FCA. As at the date of this document, the Company is regulated by the GFSC as a Registered Closed-ended Collective Investment Scheme. Once the Shares are admitted to the Premium Listing segment of the Official List and to trading on the Main Market, the Company and Shareholders will be subject to the Listing Rules, the Prospectus Rules and the Disclosure and Transparency Rules.

1.4 The Company's accounting period ends on 30 June of each year. The annual report and financial statements of the Company will be prepared in U.S. Dollars according to IFRS and in accordance with the requirements of the Companies Law.

2. SUBSIDIARIES

The Company is the holding company of the Group and has the following subsidiaries:

Name	*Country of Incorporation*	*Proportion of ownership interest (%)*	*Principal Activity*
Vietnam Investment Property Holding Limited	BVI	100	Holding company for listed, unlisted securities and real estate
Vietnam Investment Property Limited	BVI	100	Holding company for listed and unlisted securities
Vietnam Ventures Limited	BVI	100	Holding company for listed, unlisted securities and real estate
Vietnam Investment Limited	BVI	100	Holding company for listed, unlisted securities and real estate

Name	*Country of Incorporation*	*Proportion of ownership interest (%)*	*Principal Activity*
Asia Value Investment Limited	BVI	100	Holding company for listed and unlisted securities
Vietnam Master Holding 2 Limited	BVI	100	Holding company for listed securities
VOF Investment Limited	BVI	100	Holding company for listed, unlisted securities and real estate
VOF PE Holding 5 Limited	BVI	100	Holding company for listed securities
Visaka Holding Limited	BVI	100	Holding company for treasury shares
Portal Global Limited	BVI	100	Holding company for listed securities
Windstar Resources Limited	BVI	100	Holding company for listed securities
Howard Holding Pte. Limited	Singapore	80.56	Holding company for private equity
Fraser Investment Pte. Limited	Singapore	100	Holding company for listed securities
SE Asia Master Holding 7 Pte. Limited	Singapore	100	Holding company for private equity
Allright Assets Limited (Sing)	Singapore	100	Holding company for real estate
Allright Assets Limited (BVI)	BVI	100	Holding company for real estate
VTC Espero Limited	Singapore	100	Holding company for real estate
American Home Vietnam Co. Limited	Vietnam	100	Ceramic tiles manufacturer
Yen Viet Joint Stock Company	Vietnam	65	Bird’s nest products
International Dairy Products Joint Stock Company	Vietnam	69.48	Dairy products
VinaLand Heritage Limited	BVI	100	Holding company for investments
Halico Investment Holding Limited	BVI	100	Holding company for investments
Pegasus Leisure Limited	BVI	100	Holding company for investments
Creative Leisure Limited	BVI	100	Holding company for investments
Vietnam Enterprise Limited	BVI	100	Holding company for listed securities

Name	*Country of Incorporation*	*Proportion of ownership interest (%)*	*Principal Activity*
PA Investment Opportunity II Limited	BVI	100	Holding company for investments
Vina QRS Limited	BVI	100	Holding company for investments
Vietnam Hospitality Limited	BVI	100	Holding company for real estate
Indotel Limited	Singapore	100	Holding company for real estate
SEM Thong Nhat Metropole	BVI	50	Holding company for real estate
Sofitel Metropole Hanoi	BVI	100	Holding company for real estate
Indochina Building Supplies Pte Limited	Singapore	99	Holding company for private equity
IDS Building Materials Pte Ltd	Singapore	100	Holding company for private equity
Indochina Ceramic Singapore Pte	Singapore	100	Holding company for private equity
Bivi Corporation	BVI	100	Holding company for investments
Binh Trieu	BVI	100	Holding company for investments
VinaSugar Holdings Limited	BVI	100	Holding company for private equity
VOF PE Holding 3 Limited	BVI	100	Holding company for investments
Sharda Holdings Limited	BVI	100	Holding company for investments
Hospira Holdings Limited	BVI	100	Holding company for investments
Navia Holdings Limited	BVI	100	Holding company for investments
Orkay Holdings Limited	BVI	100	Holding company for investments
Transwell Enterprises Limited	BVI	100	Holding company for listed and unlisted securities
Clear Interest Group Limited	BVI	100	Holding company for investments
DTL Education Holding Ltd	BVI	100	Holding company for investments
Nomino Holdings Limited	BVI	100	Holding company for investments

Name	*Country of Incorporation*	*Proportion of ownership interest (%)*	*Principal Activity*
Longwoods Worldwide Limited	BVI	100	Holding company for investments
Rewas Holdings Limited	BVI	100	Holding company for investments
Victory Holding Investment Limited	BVI	100	Holding company for investments
Belfort Worldwide Limited	BVI	100	Holding company for investments
Hawke Investments Pte Limited	Singapore	100	Holding company for investments
Allwealth Worldwide Limited	BVI	100	Holding company for investments
Foremost Worldwide Limited	BVI	100	Holding company for investments
Preston Pacific Limited	BVI	100	Holding company for investments
Vietnam Opportunity Fund II Pte Limited	Singapore	100	Holding company for investments
Liva Holdings Limited	BVI	100	Holding company for investments
Abbott Holding Pte Limited	Singapore	100	Holding company for private equity
Whitlam Holding Pte Limited	Singapore	100	Holding company for private equity
Turnball Holding Pte. Ltd	Singapore	100	Dormant
Menzies Holding Pte. Ltd	Singapore	100	Dormant

3. SHARE CAPITAL

3.1 The Company may issue an unlimited number of Shares, including shares of no par value or shares with a par value. Shares may be issued as (a) Shares in such currencies as the Directors may determine; and/or (b) such other classes of shares in such currencies as the Directors may determine in accordance with the Articles and the Companies Law and the price per Share at which shares of each class shall first be offered to subscribers shall be fixed by the Board.

3.2 The Company's issued share capital, all of which is fully paid: (i) as at the date of this document, and (ii) as it will be immediately following Admission is as follows:

		Number	*Aggregate nominal value ($)*
(i)	As at the date of this document	211,346,258	2,113,462.58
(ii)	Immediately following Admission	211,346,258	2,113,462.58

3.3 On incorporation on 14 March 2003, the authorised share capital of the Company was US$50,000 divided into 5,000,000 Shares of US$0.01 each, of which one subscriber share was issued to M&C Corporate Services Limited of PO Box 309, Ugland House, South Church Street, Grand Cayman, Cayman Islands as the subscriber to the Company's memorandum of association.

3.4 The following changes in the share capital of the Company have taken place between 1 July 2012 and the date of this document:

3.4.1 as at 1 July 2012 there were 312,060,596 Shares fully paid in issue and total voting rights of 312,060,596 Shares;

3.4.2 on 4 July 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 750,000 Shares at an average price of US$1.485 per Share;

3.4.3 on 9 July 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 500,000 Shares at an average price of US$1.485 per Share;

3.4.4 on 12 July 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 350,000 Shares at an average price of US$1.47 per Share;

3.4.5 on 17 July 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 335,000 Shares at an average price of US$1.49 per Share;

3.4.6 on 18 July 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 335,000 Shares at an average price of US$1.51 per Share;

3.4.7 on 19 July 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 100,000 Shares at an average price of US$1.525 per Share;

3.4.8 on 20 July 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 225,000 Shares at an average price of US$1.528 per Share;

3.4.9 on 23 July 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 350,000 Shares at an average price of US$1.515 per Share;

3.4.10 on 24 July 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 250,000 Shares at an average price of US$1.515 per Share;

3.4.11 on 25 July 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 200,000 Shares at an average price of US$1.515 per Share;

3.4.12 on 26 July 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 500,000 Shares at an average price of US$1.54 per Share;

3.4.13 on 27 July 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 500,000 Shares at an average price of US$1.54 per Share;

3.4.14 on 31 July 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 429,168 Shares at an average price of US$1.55 per Share;

3.4.15 on 13 August 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 200,000 Shares at an average price of US$1.64 per Share;

3.4.16 on 21 August 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 470,963 Shares at an average price of US$1.63 per Share;

3.4.17 on 22 August 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 1,000,000 Shares at an average price of US$1.63 per Share;

3.4.18 on 23 August 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 1,540,000 Shares at an average price of US$1.63 per Share;

3.4.19 on 24 August 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 1,000,000 Shares at an average price of US$1.63 per Share;

3.4.20 on 28 August 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 750,000 Shares at an average price of US$1.63 per Share;

3.4.21 on 29 August 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 330,000 Shares at an average price of US$1.63 per Share;

3.4.22 on 30 August 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 330,000 Shares at an average price of US$1.63 per Share;

3.4.23 on 31 August 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a

wholly-owned subsidiary of the Company purchased 328,337 Shares at an average price of US$1.63 per Share;

3.4.24 on 4 September 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 125,000 Shares at an average price of US$1.63 per Share;

3.4.25 on 5 September 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 350,000 Shares at an average price of US$1.63 per Share;

3.4.26 on 6 September 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 600,000 Shares at an average price of US$1.63 per Share;

3.4.27 on 10 September 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 400,000 Shares at an average price of US$1.63 per Share;

3.4.28 on 11 September 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 200,000 Shares at an average price of US$1.63 per Share;

3.4.29 on 12 September 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 160,000 Shares at an average price of US$1.62 per Share;

3.4.30 on 14 September 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 200,000 Shares at an average price of US$1.61 per Share;

3.4.31 on 17 September 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 225,000 Shares at an average price of US$1.61 per Share;

3.4.32 on 18 September 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 175,000 Shares at an average price of US$1.605 per Share;

3.4.33 on 19 September 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 175,000 Shares at an average price of US$1.60 per Share;

3.4.34 on 20 September 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 175,000 Shares at an average price of US$1.59 per Share;

3.4.35 on 24 September 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 75,000 Shares at an average price of US$1.595 per Share;

3.4.36 on 1 October 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 200,000 Shares at an average price of US$1.635 per Share;

3.4.37 on 2 October 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 500,000 Shares at an average price of US$1.63 per Share;

3.4.38 on 3 October 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 350,000 Shares at an average price of US$1.63 per Share;

3.4.39 on 5 October 2012 pursuant to a share buyback authority added to the Company's memorandum and articles of association on 10 December 2010, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 150,000 Shares at an average price of US$0.435 per Share;

3.4.40 on 9 October 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 191,377 Shares at an average price of US$1.68 per Share;

3.4.41 on 10 October 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 500,000 Shares at an average price of US$1.72 per Share;

3.4.42 on 11 October 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 740,000 Shares at an average price of US$1.72 per Share;

3.4.43 on 12 October 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 309,148 Shares at an average price of US$1.72 per Share;

3.4.44 on 15 October 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 700,000 Shares at an average price of US$1.72 per Share;

3.4.45 on 16 October 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 300,000 Shares at an average price of US$1.72 per Share;

3.4.46 on 17 October 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a

wholly-owned subsidiary of the Company purchased 400,000 Shares at an average price of US$1.72 per Share;

3.4.47 on 18 October 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 400,000 Shares at an average price of US$1.72 per Share;

3.4.48 on 19 October 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 355,144 Shares at an average price of US$1.72 per Share;

3.4.49 on 9 November 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 1,196,044 Shares at an average price of US$1.70 per Share;

3.4.50 on 30 November 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 1,076,826 Shares at an average price of US$1.70 per Share;

3.4.51 on 6 December 2012 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 1,000,000 Shares at an average price of US$1.70 per Share;

3.4.52 on 31 January 2013 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 168,249 Shares at an average price of US$2.05 per Share;

3.4.53 on 22 February 2013 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 181,576 Shares at an average price of US$2.065 per Share;

3.4.54 on 8 March 2013 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 308,879 Shares at an average price of US$2.07 per Share;

3.4.55 on 15 March 2013 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 458,227 Shares at an average price of US$2.08 per Share;

3.4.56 on 22 March 2013 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 965,915 Shares at an average price of US$2.09 per Share;

3.4.57 on 27 March 2013 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 1,509,144 Shares at an average price of US$2.10 per Share;

3.4.58 on 28 March 2013 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 1,246,313 Shares at an average price of US$2.10 per Share;

3.4.59 on 3 April 2013 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 951,927 Shares at an average price of US$2.10 per Share;

3.4.60 on 5 April 2013 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 715,888 Shares at an average price of US$2.095 per Share;

3.4.61 on 9 April 2013 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 1,498,755 Shares at an average price of US$2.093 per Share;

3.4.62 on 12 April 2013 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 1,027,065 Shares at an average price of US$2.09 per Share;

3.4.63 on 19 April 2013 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 1,058,185 Shares at an average price of US$2.084 per Share;

3.4.64 on 23 April 2013 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 1,858,451 Shares at an average price of US$2.082 per Share;

3.4.65 on 3 May 2013 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 490,000 Shares at an average price of US$2.065 per Share;

3.4.66 on 10 May 2013 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 300,000 Shares at an average price of US$2.077 per Share;

3.4.67 on 17 May 2013 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 239,421 Shares at an average price of US$2.09 per Share;

3.4.68 on 22 May 2013 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 850,000 Shares at an average price of US$2.11 per Share;

3.4.69 on 24 May 2013 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 1,000,000 Shares at an average price of US$2.12 per Share;

3.4.70 on 31 May 2013 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 1,592,000 Shares at an average price of US$2.124 per Share;

3.4.71 on 7 June 2013 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 1,200,000 Shares at an average price of US$2.14 per Share;

3.4.72 on 13 June 2013 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 948,000 Shares at an average price of US$2.145 per Share;

3.4.73 on 14 June 2013 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 300,000 Shares at an average price of US$2.077 per Share;

3.4.74 on 21 June 2013 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 2,790,085 Shares at an average price of US$2.145 per Share;

3.4.75 on 28 June 2013 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 4,300,121 Shares at an average price of US$2.126 per Share;

3.4.76 on 5 July 2013 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 2,109,192 Shares at an average price of US$2.12 per Share;

3.4.77 on 12 July 2013 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 1,361,113 Shares at an average price of US$2.12 per Share;

3.4.78 on 19 July 2013 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 871,809 Shares at an average price of US$2.12 per Share;

3.4.79 on 24 July 2013 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 361,195 Shares at an average price of US$2.145 per Share;

3.4.80 on 26 July 2013 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 356,672 Shares at an average price of US$2.145 per Share;

3.4.81 on 2 August 2013 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 1,011,373 Shares at an average price of US$2.145 per Share;

3.4.82 on 9 August 2013 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 914,741 Shares at an average price of US$2.145 per Share;

3.4.83 on 16 August 2013 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 519,814 Shares at an average price of US$2.145 per Share;

3.4.84 on 23 August 2013 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 1,076,570 Shares at an average price of US$2.145 per Share;

3.4.85 on 30 August 2013 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 1,339,535 Shares at an average price of US$2.140 per Share;

3.4.86 on 6 September 2013 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 625,486 Shares at an average price of US$2.06 per Share;

3.4.87 on 20 September 2013 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 381,972 Shares at an average price of US$2.06 per Share;

3.4.88 on 27 September 2013 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 1,097,291 Shares at an average price of US$2.06 per Share;

3.4.89 on 11 October 2013 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 28,410 Shares at an average price of US$2.10 per Share;

3.4.90 on 13 December 2013 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 1,327,538 Shares at an average price of US$2.26 per Share;

3.4.91 on 17 January 2014 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 293,650 Shares at an average price of US$2.34 per Share;

3.4.92 on 14 February 2014 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a

wholly-owned subsidiary of the Company purchased 948,717 Shares at an average price of US$2.3856 per Share;

3.4.93 on 21 February 2014 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 122,800 Shares at an average price of US$2.4175 per Share;

3.4.94 on 28 February 2014 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 310,318 Shares at an average price of US$2.4597 per Share;

3.4.95 on 7 March 2014 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 714,800 Shares at an average price of US$2.45 per Share;

3.4.96 on 21 March 2014 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 251,454 Shares at an average price of US$2.5618 per Share;

3.4.97 on 28 March 2014 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 388,497 Shares at an average price of US$2.5239 per Share;

3.4.98 on 4 April 2014 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 948,717 Shares at an average price of US$2.3856 per Share;

3.4.99 on 11 April 2014 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 319,826 Shares at an average price of US$2.435 per Share;

3.4.100 on 17 April 2014 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 467,119 Shares at an average price of US$2.436 per Share;

3.4.101 on 25 April 2014 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 987,644 Shares at an average price of US$2.441 per Share;

3.4.102 on 2 May 2014 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 479,354 Shares at an average price of US$2.448 per Share;

3.4.103 on 9 May 2014 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 2,015,529 Shares at an average price of US$2.4234 per Share;

3.4.104 on 16 May 2014 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 394,250 Shares at an average price of US$2.4127 per Share;

3.4.105 on 23 May 2014 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 410,875 Shares at an average price of US$2.3136 per Share;

3.4.106 on 13 June 2014 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 223,280 Shares at an average price of US$2.4756 per Share;

3.4.107 on 20 June 2014 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 981,899 Shares at an average price of US$2.4913 per Share;

3.4.108 on 11 July 2014 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 789,744 Shares at an average price of US$2.5103 per Share;

3.4.109 on 8 August 2014 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 387,667 Shares at an average price of US$2.5892 per Share;

3.4.110 on 13 August 2014 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 112,900 Shares at an average price of US$2.5975 per Share;

3.4.111 on 5 September 2014 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 197,000 Shares at an average price of US$2.6556 per Share;

3.4.112 on 12 September 2014 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 335,000 Shares at an average price of US$2.66 per Share;

3.4.113 on 26 September 2014 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 330,000 Shares at an average price of US$2.713 per Share;

3.4.114 on 3 October 2014 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 850,000 Shares at an average price of US$2.71 per Share;

3.4.115 on 10 October 2014 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 1,286,952 Shares at an average price of US$2.705 per Share;

3.4.116 on 17 October 2014 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 1,350,000 Shares at an average price of US$2.6775 per Share;

3.4.117 on 24 October 2014 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 725,000 Shares at an average price of US$2.66 per Share;

3.4.118 on 31 October 2014 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 600,000 Shares at an average price of US$2.66 per Share;

3.4.119 on 7 November 2014 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 456,000 Shares at an average price of US$2.6758 per Share;

3.4.120 on 14 November 2014 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 429,000 Shares at an average price of US$2.6758 per Share;

3.4.121 on 21 November 2014 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 930,000 Shares at an average price of US$2.685 per Share;

3.4.122 on 28 November 2014 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 800,000 Shares at an average price of US$2.685 per Share;

3.4.123 on 5 December 2014 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 690,000 Shares at an average price of US$2.656 per Share;

3.4.124 on 10 December 2014 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 445,000 Shares at an average price of US$2.624 per Share;

3.4.125 on 12 December 2014 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 278,000 Shares at an average price of US$2.514 per Share;

3.4.126 on 16 December 2014 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 287,164 Shares at an average price of US$2.432 per Share;

3.4.127 on 26 January 2015 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 250,000 Shares at an average price of US$2.4745 per Share;

3.4.128 on 6 February 2015 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 150,000 Shares at an average price of US$2.50 per Share;

3.4.129 on 13 February 2015 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 666,500 Shares at an average price of US$2.50 per Share;

3.4.130 on 20 February 2015 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 170,000 Shares at an average price of US$2.5075 per Share;

3.4.131 on 13 March 2015 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 745,000 Shares at an average price of US$2.525 per Share;

3.4.132 on 20 March 2015 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 350,000 Shares at an average price of US$2.529 per Share;

3.4.133 on 27 March 2015 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 665,000 Shares at an average price of US$2.509 per Share;

3.4.134 on 31 March 2015 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 440,000 Shares at an average price of US$2.426 per Share;

3.4.135 on 2 April 2015 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 550,000 Shares at an average price of US$2.396 per Share;

3.4.136 on 8 May 2015 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 375,000 Shares at an average price of US$2.505 per Share;

3.4.137 on 15 May 2015 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 400,000 Shares at an average price of US$2.462 per Share;

3.4.138 on 29 May 2015 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a

wholly-owned subsidiary of the Company purchased 350,000 Shares at an average price of US$2.478 per Share;

3.4.139 on 5 June 2015 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 280,000 Shares at an average price of US$2.476 per Share;

3.4.140 on 12 June 2015 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 1,000,000 Shares at an average price of US$2.47 per Share;

3.4.141 on 19 June 2015 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 361,000 Shares at an average price of US$2.47 per Share;

3.4.142 on 7 August 2015 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 800,000 Shares at an average price of US$2.46 per Share;

3.4.143 on 20 August 2015 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 250,000 Shares at an average price of US$2.44 per Share;

3.4.144 on 24 August 2015 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 180,000 Shares at an average price of US$2.32 per Share;

3.4.145 on 25 August 2015 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 200,000 Shares at an average price of US$2.16 per Share;

3.4.146 on 4 September 2015 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 400,000 Shares at an average price of US$2.27 per Share;

3.4.147 on 18 September 2015 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 525,000 Shares at an average price of US$2.34 per Share;

3.4.148 on 23 September 2015 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 465,000 Shares at an average price of US$2.36 per Share;

3.4.149 on 9 October 2015 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 150,000 Shares at an average price of US$2.46 per Share;

3.4.150 following this, 107,622,647 Shares being all the Shares held in treasury were cancelled by the Company;

3.4.151 on 16 October 2015 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 250,000 Shares at an average price of US$2.4663 per Share which have now been cancelled;

3.4.152 on 30 October 2015 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 335,000 Shares at an average price of US$2.58 per Share which have now been cancelled;

3.4.153 on 6 November 2015 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 500,000 Shares at an average price of US$2.58 per Share which have now been cancelled;

3.4.154 on 13 November 2015 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 287,000 Shares at an average price of US$2.59 per Share which have now been cancelled;

3.4.155 on 20 November 2015 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 250,000 Shares at an average price of US$2.55 per Share which have now been cancelled;

3.4.156 on 27 November 2015 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 449,000 Shares at an average price of US$2.49 per Share which have now been cancelled;

3.4.157 on 11 December 2015 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 195,000 Shares at an average price of US$2.37 per Share which have now been cancelled;

3.4.158 on 18 December 2015 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 200,000 Shares at an average price of US$2.35 per Share which have now been cancelled;

3.4.159 on 8 January 2016 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 180,000 Shares at an average price of US$2.38 per Share which have now been cancelled;

3.4.160 on 20 January 2016 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 200,000 Shares at an average price of US$2.25 per Share which have now been cancelled;

3.4.161 on 22 January 2016 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 260,000 Shares at an average price of US$2.21 per Share which have now been cancelled;

3.4.162 on 29 January 2016 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 480,000 Shares at an average price of US$2.22 per Share which have now been cancelled;

3.4.163 on 12 February 2016 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 722,211 Shares at an average price of US$2.30 per Share which have now been cancelled;

3.4.164 on 26 February 2016 pursuant to a share buyback authority approved by the Shareholders of the Company on 25 October 2011, Visaka Holdings Limited, a wholly-owned subsidiary of the Company purchased 224,000 Shares at an average price of US$2.40 per Share which have now been cancelled; and

3.4.165 and accordingly as at 22 March 2016 (being the latest practicable date prior to the publication of this document), the number of Shares in issue and the total voting rights in the Company are 211,346,258.

3.5 At an extraordinary general meeting of the Shareholders held on 27 October 2015, the following extraordinary and special resolutions were passed in relation to the share capital of the Company:

3.5.1 That, effective upon the re-registration of the Company in Guernsey and the adoption of the Articles, the Directors be and they are hereby generally empowered, to allot and issue, to grant rights to subscribe for, or to convert and make offers or agreements to allot and issue equity securities (as defined in Article 5.1(a) of the Articles) for cash as if the pre-emption rights contained in the Articles in respect of such equity securities did not apply to any such allotment, provided that:

3.5.1.1 unless previously varied, revoked or renewed, the authority hereby conferred shall expire on 31 December 2016 or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2016, save that the Company may, prior to such expiry, make an offer or agreement which would or might require equity securities to be allotted and issued after such expiry and the Directors may allot and issue equity securities in pursuance of any such offer or agreement as if the power had not expired;

3.5.1.2 this power shall be limited to the allotment and issue of such number of Shares equal to 10 per cent. of the Company's issued share capital as at Admission; and

3.5.1.3 any issuance of Shares pursuant to this authority must be at a price at least equal to the Net Asset Value per Share.

3.5.2 That, effective upon the re-registration of the Company in Guernsey and the adoption of the Articles, the Company be authorised in accordance with the Companies Law to make market acquisitions (as defined in the Companies Law) of its own Shares either for cancellation or to hold as treasury shares for future resale or transfer provided that:

3.5.2.1 the maximum number of Shares authorised to be purchased is a number up to 14.99 per cent. of the aggregate number of Shares in issue immediately following Admission;

3.5.2.2 the minimum price which may be paid for a Share is US$0.01;

3.5.2.3 the maximum price which may be paid for a Share must not be more than the higher of (a) 5 per cent. above the average of the mid-market values of a Share taken from the London Stock Exchange Daily Official List for five business days before the purchase is made; and (b) the higher of the last independent trade or the current independent bid for Shares; and

3.5.2.4 unless previously varied, revoked or renewed, the authority hereby conferred shall expire on 31 December 2016 or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2016, save that the Company may, prior to such expiry, enter into a contract to acquire Shares under such authority and may make an acquisition of Shares pursuant to any such contract.

3.6 The Company is permitted to fund the payment for purchases of Shares in any manner permitted by the Companies Law and the Directors must reasonably believe that the Company meets the solvency tests prescribed by the Companies Law before making such purchases.

3.7 Save as disclosed in this paragraph 3, as at the date of this document:

3.7.1 no Shares were held by, or on behalf of, any member of the Group;

3.7.2 no Shares have been issued otherwise than as fully paid;

3.7.3 the Company had no outstanding convertible securities, exchangeable securities or securities with warrants;

3.7.4 the Company has given no undertaking to increase its share capital; and

3.7.5 no capital of any member of the Group is under option or is agreed, conditionally or unconditionally, to be put under option.

4. INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS

4.1 Save as set out below, no Director has any interests (beneficial or non-beneficial) in the share or loan capital of the Company as at 22 March 2016 (being the latest practicable date prior to the publication of this document):

Director	*Number of Shares*	*Percentage of issued share capital (%)*
Steve Bates	Nil	Nil
Martin Adams	Nil	Nil
Michael Gray	100,000	0.047
Thuy Bich Dam	Nil	Nil

4.2 No Director has a service contract with the Company, nor are any such contracts proposed, each Director having been appointed pursuant to a letter of appointment. Messrs Bates and Adams were appointed as non-executive directors on 5 February 2013 and Mr Bates was appointed as Chairman on 1 May 2013. Mr Gray was appointed as a non-executive director on 24 June 2009 and Ms Thuy Bich Dam was appointed as a non-executive director on 7 March 2014. The Directors' appointments can be terminated in accordance with the Articles and without compensation. The Directors are subject to retirement by rotation in accordance with the Articles. There is no notice period specified in the letters of appointment for the removal of Directors. The Articles provide that the office of Director shall be terminated by, among other things: (i) written resignation; (ii) unauthorised absences from board meetings for 12 months or more; (iii) written request of the other Directors; and (iv) a resolution of the Shareholders.

4.3 The Chairman is entitled to receive a fee of US$90,000 per annum and each of the other Directors is entitled to receive a fee of US$75,000 per annum from the Company in respect of his or her position as a director of the Company with an additional fee of US$5,000 per annum for membership of the audit and valuation committee and a fee of US$15,000 per annum for chairmanship of the same.

4.4 The aggregate fees of the Directors in respect of the financial year ended 30 June 2015 was US$377,444. A summary of the amount of fees paid by the Company to each Director is set out below (excluding Martin Glynn and Dom Lam who retired on 27 November 2014). No benefits in kind were granted to the Directors.

Director	*Fees paid (US$)*
Steve Bates	95,000
Martin Adams	80,000
Michael Gray	90,000
Thuy Bich Dam	80,000

4.5 No amount has been set aside or accrued by the Company to provide pension, retirement or other similar benefits.

4.6 No loan has been granted to, nor any guarantee provided for the benefit of, any Director by the Company.

4.7 Over the five years preceding the date of this document, the Directors hold or have held the following directorships (apart from their directorships of the Company) or memberships of administrative, management or supervisory bodies and/or partnerships:

Name	*Current directorships/partnerships*	*Past directorships/partnerships*
Steve Bates	Baring Emerging Europe Biotech Growth Fund British Empire Securities & General Investment Trust F&C Capital and Income Investment Trust Guardcap Asset Management Magna Umbrella Fund OCCO Eastern European Fund Space Place Self Storage (Telford) Limited	Renn Universal Growth (*in voluntary liquidation*) Social Housing Investments Limited (voluntary strike-off)
Michael Gray	Ascendas Property Fund Trustee Pte Ltd Asian Cruising Pte Ltd Avi-Tech Electronics Ltd FSL Trust Management Pte Ltd GSH Corporation Ltd Raffles Marina Holdings Ltd TGY Property Investments Pte Ltd Tras Street Property Investment Ltd UON Singapore Pte Ltd	Grand Banks Yachts Limited Song Hin Sdn Bhd The Masonic Hall Board Ltd

Name	*Current directorships/partnerships*	*Past directorships/partnerships*
Martin Adams	Aberdeen Latin American Income Fund Limited Armadillo Investments Limited (*in voluntary liquidation*) BRX Research and Development Company Limited (*in voluntary liquidation*) Eastern European Property Fund Limited DWS Vietnam Fund Limited Isocrates Limited Kubera Cross-Border Fund Limited Kubera Cross-Border Fund (GP) Limited Kubera Cross-Border Fund (Mauritius) Limited Marwyn Value Investors Limited Metage Funds Limited Terra Catalyst Fund Trading Emissions Plc TEP (IOM) Limited The Paulson-Ellis Charitable Trust Trinity Capital Plc Trinity Capital Mauritius Limited VFMC Limited Vietnam Fund Management Company Limited Vietnam Investment Advisers Limited	EWG Slupsk sp. Z o.o. Metage Special Emerging Markets Fund Limited TEP Trading 1 Limited TEP Trading 2 Limited Vietnam Resources Investments (Holdings) Limited Vietnam Value Fund Element Markets LLC
Thuy Bich Dam	Trust for University Innovation in Vietnam Thien Minh Group	ANZ Cambodia ANZ Vietnam Saigon Securities Inc

4.8 Save as disclosed in paragraph 4.7 above, the Directors in the five years before the date of this document:

4.8.1 do not have any convictions in relation to fraudulent offences;

4.8.2 have not been associated with any bankruptcies, receiverships or liquidations of any partnership or company through acting in the capacity as a member of the administrative, management or supervisory body or as a partner, founder or senior manager of such partnership or company; and

4.8.3 do not have any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and have not been disqualified by a court from acting as a member of the administration, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.

4.9 As at the date of this document, none of the Directors have any conflict of interest or potential conflict of interest between any duties to the Company and their private interests and/or other duties.

4.10 The Company maintains directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.

4.11 Other than as set out in the table below, as at 31 January 2016 (being the latest practicable date prior to the publication of this document), the Company was not aware of any person who was directly or indirectly interested in three per cent. or more of the Company's ordinary share capital:

Name	*Number of Shares*	*Percentage of issued share capital (%)*
Lynchwood Nominees Ltd	23,097,265	10.76
Lazard Asset Management	22,227,788	10.35
SMBC Nikko Bank	12,790,000	5.96
BNY Mellon - SA	11,401,171	5.31
City of London Investment Management	8,654,175	4.03
Six Sis AG	6,861,801	3.20
State Street Bank Trust	6,840,597	3.19

4.12 All Shareholders have the same voting rights in respect of the share capital of the Company.

4.13 The Company and the Directors are not aware of any person who as at 22 March 2016 (being the latest practicable date prior to the publication of this document), directly or indirectly, jointly or severally, exercises or could exercise control over the Company, nor are they aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.

5. MEMORANDUM AND ARTICLES

5.1 The Memorandum provides that the Company's objects are unrestricted and it shall therefore have the full power and authority to carry out any object not prohibited by the Companies Law or any other applicable laws.

5.2 The Articles, which were adopted on 22 March 2016, contain provisions, among others, to the following effect:

5.2.1 *Dividends and other distributions*

5.2.1.1 The Directors may from time to time authorise dividends and distributions to be paid to Shareholders in accordance with the requirements set out in the Companies Law and subject to any Shareholder's rights attaching to their shares.

5.2.1.2 Subject to the rights of any Shares which may be issued with special rights or privileges, the Shares carry the right to receive all income of the Company attributable to the Shares, and to participate in any distribution of such income made by the Company, such income shall be divided pari passu among the holders of Shares in proportion to the number of Shares held by them.

5.2.1.3 All unclaimed dividends and distributions may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. All dividends unclaimed on the earlier of:

5.2.1.3.1 a period of six years after the date when it first became due for payment; and

5.2.1.3.2 the date on which the Company is wound-up, shall be forfeited and shall revert to the Company without the necessity for any declaration or other action on the part of the Company.

5.2.2 *Voting*

5.2.2.1 Subject to any special rights, restrictions or prohibitions as regards voting for the time being attached to any Shares, holders of Shares shall have the right to receive notice of and to attend and vote at general meetings of the Company.

5.2.2.2 Each Shareholder being present in person or by proxy or by a duly authorised representative (if a corporation) at a meeting shall upon a show of hands have one vote and upon a poll each such holder present in person or by proxy or by a duly authorised representative (if a corporation) shall have one vote in respect of each Share held by him.

5.2.2.3 Notwithstanding any other provisions of the Articles, where required by the Listing Rules, a vote must be decided by resolution of the holders of the Company's shares that have been admitted to a Premium Listing. In addition, where the Listing Rules require that a particular resolution must in addition be approved by the independent shareholders (as such term is defined in the Listing Rules) only independent shareholders who hold the Company's shares that have been admitted to a premium listing can vote on such separate resolution.

5.2.3 *Capital*

5.2.3.1 As to a winding-up of the Company or other return of capital (other than by way of a repurchase or redemption of Shares in accordance with the provisions of the Articles and the Companies Law), the surplus assets of the Company attributable to the Shares remaining after payment of all creditors shall, subject to the rights of any Shares that may be issued with special rights or privileges, be divided amongst the holders of Shares pari passu among the holders of Shares in proportion to the number of Shares held by them.

5.2.4 *Pre-emption rights*

5.2.4.1 There are no provisions of Guernsey law which confer rights of pre-emption in respect of the allotment of the Shares. However, the Articles provide that the Company is not permitted to allot (for cash) equity securities (being Shares or rights to subscribe for, or convert securities into, Shares) or sell (for cash) any Shares held in treasury, unless it shall first have offered to allot to each existing holder of Shares on the same or more favourable terms a proportion of those Shares the aggregate value of which (at the proposed issue price) is as nearly as practicable equal to the proportion of the Shares held by such Shareholder. These pre-emption rights may be excluded and disapplied or modified by extraordinary resolution of the Shareholders. Further, the pre-emption rights shall not apply to a particular allotment and issue of equity securities if these are, or are to be, wholly or partly paid otherwise than in cash or the allotment of bonus shares.

5.2.5 *Variation of rights*

5.2.5.1 Whenever the capital of the Company is divided into different classes of shares, the rights attached to any class of shares may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated:

5.2.5.1.1 with the consent in writing of the holders of more than 75 per cent. in value of the issued shares of that class (excluding any shares held as treasury shares); or

5.2.5.1.2 with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of that class.

5.2.5.2 The necessary quorum at any separate class meeting shall be two persons present holding or representing by proxy at least one-third of the voting rights of the issued shares of that class (excluding any shares held as treasury shares) (provided that if any such meeting is adjourned for lack of a quorum, the quorum at the reconvened meeting shall be one person present holding shares of that class or his proxy) provided always that where the class has only one member, that member shall constitute the necessary quorum and any holder of shares of the class in question may demand a poll.

5.2.5.3 The rights conferred upon the holders of any shares or class of shares issued with preferred, deferred or other rights shall (unless otherwise expressly provided by the conditions of issue of such shares) be deemed not to be varied by:

5.2.5.3.1 the creation or issue of further shares ranking pari passu therewith; or

5.2.5.3.2 the purchase or redemption by the Company of any of its shares (or the holding of such shares as treasury shares).

5.2.6 *Disclosure of interests in Shares*

5.2.6.1 The Directors shall have power by notice in writing (a "**Disclosure Notice**") to require a Shareholder to disclose to the Company the identity of any person other than the Shareholder (an interested party) who has any interest (whether direct or indirect) in the Shares held by the Shareholder and the nature of such interest or has been so interested at any time during the three years immediately preceding the date on which the Disclosure Notice is issued. Any such Disclosure Notice shall require any information in response to such Disclosure Notice to be given in writing to the Company within 28 days of the date of service (or 14 days if the Shares concerned represent 0.25 per cent. or more of the number of Shares in issue of the class of Shares concerned).

5.2.6.2 If any member is in default in supplying to the Company the information required by the Company within the prescribed period (which is 28 days after service of the notice or 14 days if the Shares concerned represent 0.25 per cent. or more in number of the issued Shares of the relevant class), or such other reasonable period as the Directors may determine, the Directors in their absolute discretion may serve a direction notice on the member (a "**Direction Notice**"). The Direction Notice may direct that in respect of the Ordinary Shares in respect of which the default has occurred (the "**Default Shares**") and any other Ordinary Shares held by the member shall not be entitled to vote in general meetings or class meetings. Where the Default Shares represent at least 0.25 per cent. in number of the class of Shares concerned, the Direction Notice may additionally direct that dividends on such Default Shares will be retained by the Company (without interest) and that no transfer of the Default Shares (other than a transfer authorised under the Articles) shall be registered until the default is rectified.

5.2.6.3 The Directors may be required to exercise their power to require disclosure of interested parties on a requisition of Shareholders holding not less than 1/10th of the total voting rights attaching to the Shares in issue at the relevant time.

5.2.6.4 In addition to the rights referred to above, the Board may serve notice on any Shareholder requiring that Shareholder to promptly provide the Company with any information, representations, certificates or forms relating to such Shareholder (or its direct or indirect owners or account holders) that the Board determines from time to time are necessary or appropriate for the Company to:

5.2.6.4.1 satisfy any account or payee identification, documentation or other diligence requirements and any reporting requirements imposed under:

(A) FATCA and any agreement relating thereto (including, any amendments, modification, consolidation, re-enactment or replacement thereof made from time to time);

(B) the UK-Guernsey IGA;

(C) the Multilateral Agreement; and/or

(D) the requirements of any similar laws or regulations to which the Company may be subject enacted from time to time by any other jurisdiction (Similar Laws); or

5.2.6.5 avoid or reduce any tax otherwise imposed by FATCA or Similar Laws (including any withholding upon any payments to such Shareholder by the Company);

5.2.6.6 prevent a non-exempt prohibited transaction under ERISA or Section 4975 of the U.S. Code or prevent the Company from becoming subject to laws or regulations that are substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the U.S. Code; or

5.2.6.7 permit the Company to enter into, comply with, or prevent a default under or termination of, an agreement of the type described in section 1471(b) of the U.S. Code or under Similar Laws. If any Shareholder (a Defaulting Shareholder) is in default of supplying to the Company the information referred to above within the prescribed period (which shall not be less than 28 days after the service of the notice), the Defaulting Shareholder shall be deemed to be a Non-Qualified Holder.

5.2.7 *Transfer of Shares*

5.2.7.1 Subject to the Articles (and the restrictions on transfer contained therein), a Shareholder may transfer all or any of his Shares in any manner which is permitted by the Companies Law or in any other manner which is from time to time approved by the Board.

5.2.7.2 A transfer of a certificated Share shall be in the usual common form or in any other form approved by the Board. An instrument of transfer of a certificated Share shall be signed by or on behalf of the transferor and, unless the Share is fully paid, by or on behalf of the transferee.

5.2.7.3 The Articles provide that the Board has power to implement such arrangements as it may, in its absolute discretion, think fit in order for any class of Shares to be admitted to settlement by means of an uncertificated system. If the Board implements any such arrangements, any provision of the Articles will not apply or have effect to the extent that it is in any respect inconsistent with:

5.2.7.3.1 the holding of shares of the relevant class in uncertificated form;

5.2.7.3.2 the transfer of title to shares of the relevant class by means of the relevant uncertificated system; or

5.2.7.3.3 the Uncertificated Securities (Guernsey) Regulations 2009 (as amended from time to time) ("**Regulations**") or the rules applicable to the relevant uncertificated system ("**Rules**").

5.2.7.3.4 Where any class of Shares is, for the time being, admitted to settlement by means of an uncertificated system such securities may be issued in uncertificated form in accordance with and subject to the Regulations and the Rules. Unless the Board otherwise determines, shares held by the same holder or joint holders in certificated form and uncertificated form will be treated as separate holdings. Shares may be changed from uncertificated to certificated form, and from certificated to uncertificated form, in accordance with and subject to the Regulations and the Rules. Title to such of the shares as are recorded on the register as being held in uncertificated form may be transferred only by means of the relevant uncertificated system.

5.2.7.3.5 The Board may, in its absolute discretion and without giving a reason, refuse to register a transfer of any share in certificated form or uncertificated form subject to the Articles which is not fully paid or on which the Company has a lien provided that this would not prevent dealings in the shares from taking place on an open and proper basis on the London Stock Exchange.

5.2.7.3.6 In addition, the Board may decline to transfer, convert or register a transfer of any share in certificated form or (to the extent permitted by the Regulations or the Rules) uncertificated form: (a) if it is in respect of more than one class of shares; (b) if it is in favour of more than four joint transferees; (c) if applicable, if it is delivered for registration to the registered office of the Company or such other place as the Board may decide, not accompanied by the certificate for the shares to which it relates and such other evidence of title as the Board may reasonably require; or (d) the transfer is in favour of any Non-Qualified Holder.

5.2.7.3.7 If any shares are owned directly, indirectly or beneficially by a person believed by the Board to be a Non-Qualified Holder, the Board may give notice to such person requiring him either:

(A) to provide the Board within 30 days of receipt of such notice with sufficient satisfactory documentary evidence to satisfy the Board that such person is not a Non-Qualified Holder; or

(B) to sell or transfer his Shares to a person who is not a Non-Qualified Holder within 30 days and within such 30 days to provide the Board with satisfactory evidence of such sale or transfer and pending such sale or transfer, the Board may suspend the exercise of any voting or consent rights and rights to receive notice of or attend any meeting of the Company and any rights to receive dividends or other distributions with respect to such shares. Where condition (A) or (B) is not satisfied within 30 days after the serving of the notice, the person will be deemed, upon the expiration of such 30 days, to have forfeited his shares. If the Board in its absolute discretion so determines, the Company may dispose of the shares at the best price reasonably obtainable and pay the net proceeds of such disposal to the former holder.

5.2.8 *General meetings*

5.2.8.1 The first general meeting (being an annual general meeting) of the Company shall be held within such time as may be required by the Companies Law and thereafter general meetings (which are annual general meetings) shall be held at least once in each calendar year and in any event, no more than 15 months since the last annual general meeting. All general meetings (other than annual general meetings) shall be called extraordinary general meetings. Extraordinary general meetings and annual general meetings shall be held in Guernsey or such other place as may be determined by the Board from time to time.

5.2.8.2 The notice must specify the date, time and place of any general meeting and the text of any proposed special and ordinary resolution. Any general meeting shall be called by at least 14 clear days' notice. A general meeting may be deemed to have been duly called by shorter notice if it is so agreed by all the members entitled to attend and vote thereat. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the proceedings at the meeting.

5.2.8.3 The Shareholders may require the Board to call an extraordinary general meeting in accordance with the Companies Law.

5.2.9 *Restrictions on voting*

5.2.9.1 Unless the Board otherwise decides, no member shall be entitled to vote at any general meeting or at any separate meeting of the holders of any class of shares in the Company, either in person or by proxy, in respect of any share held by him unless all calls and other sums presently payable by him in respect of that share have been paid. No member of the Company shall, if the Directors so determine, be entitled in respect of any share held by him to attend or vote (either personally or by representative or by proxy) at any general meeting or separate class meeting of the Company or to exercise any other right conferred by membership in relation to any such meeting if he or any other person appearing to be interested in such shares has failed to comply with a Disclosure Notice (see paragraph 5.2.6 above) within 14 days, in a case where the shares in question represent at least 0.25 per cent. of their class, or within 28 days, in any other case, from the date of such Disclosure Notice. These restrictions will continue until the information required by the notice is supplied to the Company or until the shares in question are transferred or sold in circumstances specified for this purpose in the Articles.

5.2.10 *Appointment, retirement and disqualification of Directors*

5.2.10.1 Unless otherwise determined by the Shareholders by ordinary resolution, the number of Directors shall not be less than two and there shall be no maximum number.

5.2.10.2 A Director need not be a Shareholder. A Director who is not a Shareholder shall nevertheless be entitled to attend and speak at Shareholders' meetings.

5.2.10.3 Subject to the Articles, Directors may be appointed by the Board (either to fill a vacancy or as an additional Director). No person other than a Director retiring at a general meeting shall, unless recommended by the Directors, be eligible for election by the Company to the office of Director unless not less than seven and not more than 42 clear days before the date appointed for the meeting there shall have been left at the Company's registered office (or, if an electronic address has been specified by the Company for such purposes, sent to the Company's electronic address) notice in writing signed by a Shareholder who is duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election together with notice in writing signed by that person of his willingness to be elected and containing a declaration that he is not ineligible to be a Director in accordance with the Companies Law.

5.2.10.4 No person shall be or become incapable of being appointed a Director, and no Director shall be required to vacate that office, by reason only of the fact that he has attained the age of 70 years.

5.2.10.5 Subject to the Articles, at each annual general meeting of the Company all Directors will retire from office and each Director may offer himself for election or re-election by the Shareholders.

5.2.10.6 A Director who retires at an annual general meeting may, if willing to continue to act, be elected or re-elected at that meeting. If he is elected or re-elected he is treated as continuing in office throughout. If he is not elected or re-elected, he shall remain in office until the end of the meeting or (if earlier) when a resolution is passed to appoint someone in his place or when a resolution to elect or re-elect the Director is put to the meeting and lost.

5.2.10.7 The office of a Director shall be vacated:

5.2.10.7.1 if he (not being a person holding for a fixed term an executive office subject to termination if he ceases from any cause to be a Director) resigns his office by giving written notice signed by him sent to or deposited at the Company's registered office;

5.2.10.7.2 if he dies;

5.2.10.7.3 if he shall have absented himself (such absence not being absence with leave or by arrangement with the Board on the affairs of the Company) from meetings of the Board for a consecutive period of 12 months and the Board resolves that his office shall be vacated;

5.2.10.7.4 if he becomes bankrupt or makes any arrangements or composition with his creditors generally;

5.2.10.7.5 if he ceases to be a Director by virtue of, or becomes prohibited from being a Director by reason of, an order made under the provisions of any law or enactment;

5.2.10.7.6 if he is requested to resign by written notice of all his co-Directors (being not less than two in number);

5.2.10.7.7 if the Company by ordinary resolution shall declare that he shall cease to be a Director; or

5.2.10.7.8 if he becomes ineligible to be a Director in accordance with the Companies Law.

5.2.10.8 Any Director may, by notice in writing, appoint any other person (subject to the provisions in paragraph 5.2.10.9 below), who is willing to act as his alternate and may remove his alternate from that office.

5.2.10.9 Each alternate Director shall be eligible to be a Director under the Companies Law and shall sign a written consent to act. Every appointment or removal of an alternate Director shall be by notice in writing signed by the appointor and served upon the Company.

5.2.11 *Proceedings of the Board*

5.2.11.1 The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. The quorum necessary for the transaction of the business of the Board may be fixed by the Board and unless so fixed shall be two. Subject to the Articles, a meeting of the Board at which a quorum is present shall be competent to exercise all the powers and discretion exercisable by the Board.

5.2.11.2 The Board may elect one of their number as chairman. If no chairman is elected or if at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairman of the meeting.

5.2.11.3 Questions arising at any meeting shall be determined by a majority of votes.

5.2.11.4 The Board may delegate any of its powers to committees consisting of one or more Directors as they think fit. Any committee so formed shall be governed by any regulations that may be imposed on it by the Board and (subject to such regulations) by the provisions of the Articles that apply to meetings of the Board.

5.2.12 *Remuneration of Directors*

5.2.12.1 The Directors shall be entitled to receive fees for their services, such sums not to exceed in aggregate US$500,000 in any financial year (or such sum as the Company shall from time to time determine). The Directors may be paid all reasonable travelling, hotel and other out of pocket expenses properly incurred by them in attending board or committee meetings or general meetings, and all reasonable expenses properly incurred by them seeking independent professional advice on any matter that concerns them in the furtherance of their duties as a Director.

5.2.13 *Interests of Directors*

5.2.13.1 Subject to and in accordance with the Companies Law, a Director must, immediately after becoming aware of the fact that he is interested in a transaction or proposed transaction with the Company, disclose that fact to the Directors (including the nature and extent of that interest).

5.2.13.2 Subject to the provisions of the Companies Law, and provided that he has disclosed to the Directors the nature and extent of any interests of his, a Director notwithstanding his office:

5.2.13.2.1 may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director on such terms as to the tenure of office and otherwise as the Directors may determine;

5.2.13.2.2 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;

5.2.13.2.3 may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, a shareholder of or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested;

5.2.13.2.4 shall not, by reason of his office, be accountable to the Company for any remuneration or benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit;

5.2.13.2.5 may act by himself or his firm in a professional capacity for the Company, other than as auditor, and he or his firm shall be entitled to remuneration for professional services as though he were not a Director of the Company; and

5.2.13.2.6 may be counted in the quorum present at any meeting in relation to any resolution in respect of which he has declared an interest (and he may vote thereon).

5.2.14 *Winding-up*

5.2.14.1 If the Company shall be wound up, the liquidator may, with the sanction of an extraordinary resolution and any other sanction required by the Companies Law, divide the whole or any part of the assets of the Company among the members entitled to the same in specie and the liquidator may for that purpose value any assets as he or they deem fair and determine how the division shall be carried out as between the members or different classes of members and, with the like sanction, may vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he or they may determine, but no member shall be compelled to accept any assets upon which there is a liability.

5.2.14.2 Where the Company is proposed to be or is in the course of being wound up and the whole or part of its business or property is proposed to be transferred or sold to another company, the liquidator may, with the sanction of an ordinary resolution, receive in compensation shares, policies or other like interests for distribution or may enter into any other arrangements whereby the members may, in lieu of receiving cash, shares, policies or other like interests, participate in the profits of or receive any other benefit from the transferee.

5.2.15 *Borrowing powers*

5.2.15.1 The Directors may exercise all of the powers of the Company to borrow money and to give guarantees, mortgage, hypothecate, pledge or charge all or part of its undertaking, property (present or future) or assets or uncalled capital and to issue debentures and other securities whether outright, or as collateral security for any debt, liability or obligation of the Company or of any third party.

5.2.16 *Suspension of determination of the Net Asset Value per Ordinary Share*

5.2.16.1 The Board may at any time temporarily suspend the calculation of the Net Asset Value and Net Asset Value per Ordinary Share and the issuance of any shares in such class during:

5.2.16.1.1 any period when any of the principal markets or stock exchanges on which a substantial part of the Company's investments are traded are closed, otherwise than for ordinary holidays, or during which dealings thereon are restricted or suspended;

5.2.16.1.2 any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility or power of the Board, disposal or valuation of a substantial part of the investments of the Company is not reasonably practicable without this being seriously detrimental to the interests of the Shareholders or if, in the opinion of the Directors, the Net Asset Value and/or Net Asset Value per Ordinary Share of the relevant class cannot be fairly calculated; or

5.2.16.1.3 any breakdown in the means of communication normally employed in determining the value of the Company's investments or when for any reason the current prices on any market of a substantial part of the Company's investments cannot be promptly and accurately ascertained.

5.2.16.2 Any suspension will be notified to Shareholders by way of an RIS announcement.

6. THE TAKEOVER CODE AND OTHER RELEVANT LAW AND REGULATION

6.1 The UK City Code on Takeovers and Mergers (the "**Takeover Code**") applies to all takeover and merger transactions in relation to the Company and operates principally to ensure that shareholders are treated fairly, are not denied an opportunity to decide on the merits of a takeover and to ensure that shareholders of the same class are afforded equivalent treatment. The Takeover Code provides an orderly framework within which takeovers are conducted and the Panel on Takeovers and Mergers is on a statutory footing.

6.2 The Takeover Code is based upon a number of general principles which are essentially statements of standards of commercial behaviour. General Principle One states that all holders of securities of an offeree company of the same class must be afforded equivalent treatment and if a person acquires control of a company, the other holders of securities must be protected. Under Rule 9 of the Takeover Code, when (i) a person acquires shares which, when taken together with shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights of a company subject to the Takeover Code; or (ii) any person who, together with persons acting in concert with him, holds not less than 30 per cent. but not more than 50 per cent. of the voting rights of a company subject to the Takeover Code, and such person, or any person acting in concert with him, acquires additional shares which increases his percentage of the voting rights, then in either case that person together with the persons acting in concert with him is normally required to make a general offer in cash, at the highest price paid by him, or any person acting in concert with him, for shares in the company within the preceding 12 months, for all the remaining equity share capital of the company. "Voting rights" for these purposes means all the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting.

6.3 In order for a takeover offer to satisfy the requirements of Part XVIII of the Companies Law, the prospective purchaser must prepare a scheme or contract (in this paragraph, the "**offer**") relating to the acquisition of the shares and make the offer to some or all of the shareholders. If, within a period of four months following the making of the offer, the offer has been accepted by shareholders holding 90 per cent. in value of the shares affected by the offer, the purchaser may within a period of two months immediately after the last day on which the offer can be accepted, give notice to any shareholder explaining to whom the offer was made but who has not accepted the offer (in this paragraph the "**dissenting shareholders**") that it desires to acquire his shares on the same terms (a "**notice to acquire**"). A dissenting shareholder may, within one month after the date of a notice to acquire, apply to the Royal Court of Guernsey to cancel that notice. Unless, prior to the end of that one month period the Royal Court of Guernsey has cancelled that notice to acquire, or granted an order preventing the transferee from enforcing the notice to acquire, the transferee may acquire the shares belonging to the dissenting shareholders by paying the consideration chosen by the relevant dissenting shareholder, which it will hold on trust for the dissenting shareholders.

7. MATERIAL CONTRACTS

The following are all of the contracts, not being contracts entered into in the ordinary course of business, that have been entered into by the Group since its incorporation and are, or may be, material or that contain any provision under which the Group has any obligation or entitlement which is or may be material to it as at the date of this document:

7.1 *Introduction Agreement*

The Introduction Agreement dated 23 March 2016 between the Company, VinaCapital Group Limited, the Investment Manager and Numis pursuant to which, subject to certain conditions, Numis has agreed to act as the Company's sponsor in connection with Admission.

The Introduction Agreement is conditional upon certain conditions that are typical for an agreement of this nature. These conditions include, among others: (i) Admission occurring and becoming effective by 8.00 a.m. on or prior to 30 March 2016 (or such later time and/or date, not being later than 30 March 2016, as the Company and Numis may agree); and (ii) the Introduction Agreement not having been terminated in accordance with its terms.

In consideration for its services in relation to Admission, Numis will be paid a corporate finance fee.

The Company and the Investment Manager have given warranties to Numis concerning, inter alia, the accuracy of the information contained in this document. The Company and the Investment Manager have also given certain indemnities to Numis. The warranties and indemnities given by the Company and the Investment Manager are standard for an agreement of this nature.

The Introduction Agreement is governed by the laws of England and Wales.

7.2 *The Investment Management Agreement*

The Second Amended and Restated Investment Management Agreement dated 14 October 2014 between the Company and the Investment Manager pursuant to which the Investment

Manager has been given overall responsibility for the management of the Company's assets (including uninvested cash) in accordance with the Company's investment objective and investment policy subject to the overall control and supervision of the Directors.

Management Fee

The Investment Manager is paid a fee equal to 1.5 per cent. per annum of the NAV of the Company, payable monthly in arrears.

Incentive Fees

For the purposes of the calculation of incentive fees, the Company's net assets are segregated into the Direct Real Estate Portfolio and the Capital Markets Portfolio. A separate incentive fee will be calculated and operate independently so that for any financial year it will be possible for an incentive fee to become payable in relation to one, both or neither Portfolio depending upon the performance of each Portfolio.

The "**Opening NAV per Share**", being the higher of, (i) US$3.037, or (ii) the NAV per Share as at 30 June 2013 plus 5 per cent., was allocated between the two Portfolios on 1 July 2013 based on the applicable percentage weighting of each Portfolio to the Company's NAV to create the "**Opening Capital Markets Portfolio NAV per Share**" and the "**Opening Direct Real Estate Portfolio NAV per Share**".

Capital Markets Portfolio Incentive Fee

The Investment Manager will be entitled to the Capital Markets Portfolio Incentive Fee where the year-end NAV per Share attributable to the Capital Markets Portfolio (subject to certain adjustments for accruals and distributions) (the "**Adjusted Capital Markets Portfolio NAV per Share**") is greater than the higher of:

(i) Opening Capital Markets Portfolio NAV per Share;

(ii) the Opening Capital Markets Portfolio NAV per Share increased by a percentage return equal to a compounded annual hurdle rate of 8 per cent. (the "**Capital Markets Portfolio NAV Hurdle**"); and

(iii) the Capital Markets Portfolio NAV per Share on the last date by reference to which a Capital Markets Portfolio Incentive Fee was payable (subject to certain adjustments) (the "**Capital Markets Portfolio Prior Performance Hurdle**").

(The higher being known as the "**Capital Markets Portfolio High Water Mark per Share**")

Where this test is satisfied, the Capital Markets Portfolio Incentive Fee will be equal to the sum of 15 per cent. of the amount by which the Adjusted Capital Markets Portfolio NAV per Share exceeds the Capital Markets Portfolio High Water Mark per Share multiplied by the time weighted average number of Shares in issue during the relevant financial year.

For any financial year, the Capital Markets Portfolio Incentive Fee payable will not exceed an amount equal to 1.5 per cent. of the Adjusted Capital Markets Portfolio NAV.

In the event that for any financial year the Capital Markets Portfolio Incentive Fee exceeds this annual cap and has not been paid because of the cap, the amount in excess of the cap will be carried forward and may, subject to certain conditions, become payable in a subsequent year.

Direct Real Estate Portfolio Incentive Fee

Subject to the satisfaction of certain conditions as set out below, the Company will pay the Investment Manager the Direct Real Estate Portfolio Incentive Fee. The Investment Manager will be entitled to the Direct Real Estate Portfolio Incentive Fee based on the net profits received by the Company on the realisation of any direct real estate investment.

No Direct Real Estate Portfolio Incentive Fee will be payable in respect of a direct real estate investment until:

(i) the Company has received an amount in unencumbered funds equal to, (a) the relevant cost basis for the investment (being the value on 1 July 2013 for existing investments or the acquisition cost for new investments made after 1 July 2013), plus (b) a percentage amount equal to an annually compounded 8 per cent. hurdle rate up to the date of disposal of the investment (the "**Relevant Investment Amount**"); and

(ii) the Direct Real Estate Portfolio Test is satisfied,

(together the "**Payment Conditions**").

The "**Direct Real Estate Portfolio Test**" will be satisfied where the NAV per Share attributable to the Direct Real Estate Portfolio (subject to certain adjustments for accruals and distributions) at any semi-annual real estate valuation date (the "**Adjusted Direct Real Estate Portfolio NAV per Share**") is greater than the Opening Direct Real Estate Portfolio NAV per Share increased by a percentage return equal to a compounded annual hurdle rate of 8 per cent. (the "**Direct Real Estate Portfolio High Water Mark per Share**").

In the event that for any financial year any Direct Real Estate Incentive Fees do not become payable due to a failure to satisfy the Direct Real Estate Portfolio Test then such amounts (a "**Direct Real Estate Portfolio Test Credit**") will be credited to an account to be maintained by the Company (the "**Carried Forwards Incentive Fee Account**").

Subject to the satisfaction of the Payment Conditions, once the Company has received an amount equivalent to the Relevant Investment Amount any further net profits arising from a direct real estate investment will be distributed, 85 per cent. to the Company, and 15 per cent. to the Investment Manager.

For any financial year, the aggregate Direct Real Estate Portfolio Incentive Fees payable will not exceed an amount equal to 1.5 per cent. of the Adjusted Direct Real Estate Portfolio NAV.

In the event that for any financial year the aggregate Direct Real Estate Portfolio Incentive Fees payable exceed this annual cap, then such excess amount will also be credited to the Carried Forwards Incentive Fee Account (a "**Direct Real Estate Portfolio Incentive Fee Cap Credit**").

On any subsequent semi-annual valuation date for the Direct Real Estate Portfolio, subject to the satisfaction of the Direct Real Estate Portfolio Test, the Investment Manager will, in addition to any Direct Real Estate Incentive Fees which may otherwise become payable for that financial year, be entitled to receive the amount standing to the credit of the Carried Forwards Incentive Fee Account on a 'first in first out' basis, but subject to the annual cap on the Direct Real Estate Portfolio Incentive Fees for that financial year.

The amounts standing to the credit of the Carried Forwards Incentive Fee Account will continue to be carried forwards until either, (a) paid or (b) written off.

A Direct Real Estate Portfolio Test Credit will be written off if it does not become payable to the Investment Manager following the fourth semi-annual real estate portfolio valuation after the date on which such amount is credited to the account. In contrast, a Direct Real Estate Portfolio Incentive Fee Cap Credit will only be written off if it does not become payable to the Investment Manager following the tenth semi-annual real estate portfolio valuation after the date on which such amount is credited to the account.

The effect of these provisions is to ensure that no Direct Real Estate Incentive Fee is paid on any direct real estate asset unless, (a) proceeds have been received; (b) those proceeds exceed the cost adjusted by the hurdle rate, and; (c) the Direct Real Estate Portfolio as a whole continued to exceed the assets of the Direct Real Estate Portfolio compounded by the hurdle rate.

Incentive fees payable on termination

The exact provisions to apply on termination will depend on whether the Investment Management Agreement is terminated before the next scheduled discontinuation vote in 2018 or in connection with the passage of such a vote in 2018. The other important factors which is to be taken into account is whether notice to terminate is served by the Company or at the instigation of the Investment Manager.

In the event that the Investment Management Agreement is terminated by the Company for cause after the incentive fee calculation date in any financial year but before the publication of the Company's audited accounts for such financial year, the Investment Manager will, on termination, be entitled to any incentive fees calculated and due by reference to such financial year, except where termination occurred as a result of fraud. Save for this circumstance, where the agreement is terminated for cause, the Investment Manager will have no entitlement to receive any incentive fees.

The arrangements to apply where notice is served, otherwise than for cause, are set out in the following table:

	Termination by notice (served by Company)	*Termination by notice (served by Investment Manager)*	*Termination by notice in connection with 2018 discontinuation vote (served by Company)*	*Termination by notice in connection with 2018 discontinuation vote (served by Investment Manager)*
Annual cap on incentive fees applies?	No	Yes	Yes	Yes
Direct Real Estate Portfolio Test applies?	Yes	Yes	Yes	Yes
Payment of Carried Forwards Incentive Fee Account?	Yes	Yes (only if Direct Real Estate Portfolio Test satisfied)	Yes	Yes (only if Direct Real Estate Portfolio Test satisfied)
Carry forward of capped Capital Markets Portfolio incentive fees?	N/a	N/a	Yes (for up to 5 years)	Yes (for up to 5 years)
Carry forward of capped Direct Real Estate Portfolio incentive fees?	N/a	N/a	Yes (for up to 2 years)	Yes (for up to 2 years)

Termination

The Investment Management Agreement is terminable by either the Investment Manager or the Company giving to the other not less than 6 months' written notice.

The Company may also terminate the Investment Management Agreement immediately without penalty by notice in writing if there is a relevant change of control of the Investment Manager.

The Company may also terminate the Investment Management Agreement (without prejudice to any right of action accruing or already accrued to it) immediately without penalty by notice in writing if:

(i) an order is made or an effective resolution is passed for winding up the Investment Manager otherwise than for the purpose of its amalgamation or solvent reconstruction; or

(ii) the Investment Manager shall be insolvent or stop or threaten to stop carrying on business or payment of its debts or make any arrangement with its creditors generally; or

(iii) a receiver or administrator of the Investment Manager is appointed over any of its assets or any undertaking of the Investment Manager pursuant to any applicable bankruptcy or insolvency proceedings; or

(iv) the Investment Manager commits a material breach of duty, negligence, wilful default, fraud or a material breach of Applicable Requirements in connection with the performance of the Services or a material breach of the Investment Management Agreement, which in each case is either irremediable or not remedied within 30 days of receipt by the Manager of a notice signed on behalf of the Company requiring such breach to be rectified; or

(v) the Investment Manager is, or becomes, (in either case within 90 days of being requested by the Board to do so) unable to procure a fund manager reasonably acceptable to the Board to provide the Services;

(vi) the Investment Manager is required to obtain or hold a regulatory authorisation, approval, licence or consent in the Cayman Islands or any other jurisdiction to carry on managing and/or dealing and/or advising and/or arranging activities with regard to Investments and fails to hold or obtain such regulatory authorisation within any required time period; or

(vii) having obtained such regulatory authorisation, approval licence or consent subsequently has such authorisation, approval licence or consent withdrawn for whatever reason.

The Investment Manager shall be entitled (without prejudice to any right of action accruing or already accrued to it) to resign its appointment and thereby terminate the Investment Management Agreement:

(i) Immediately by notice in writing if the Company shall commit any material breach of its obligations under the Investment Management Agreement which in each case is irremediable or not remedied within 30 days of receipt of written notice served by the Investment Manager requiring it so to do; or

(ii) at any time by giving notice in writing to the Company if the Company shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Investment Manager) or if a receiver or administrator is appointed over all or any part of the assets of the Company or of any subsidiary; or

(iii) by giving notice in writing within 30 days of being notified of any material change in the Investment Policy.

As announced with the Company's annual results for the year ended 30 June 2015, there has been a difference of interpretation between the Company and the Investment Manager about certain provisions of the Investment Management Agreement relating to the Incentive Fee. The Investment Manager and the Board have agreed that the Investment Management Agreement will be modified to reduce the possibility of differences of interpretation in the future. It is planned that the necessary revisions to the Investment Management Agreement will be agreed and signed prior to the end of the current financial year on 30 June 2016.

The Investment Management Agreement is governed by the laws of England and Wales.

7.3 ***The Custodian Agreement***

The Custodian Agreement dated 3 December 2014 between the Company and the Custodian pursuant to which the Company has appointed the Custodian to provide custodian and settlement services to the Company in Vietnam. The services provided include setting up and maintaining securities records and cash accounts, keeping safe custody of the Company's investments and securities, processing corporate actions and collecting and processing the Company's income.

Under a separate fee schedule, the Custodian is entitled to a fee based on the face value of the assets under custody ("**AUC**") on a tiered scale. If the AUC is below US$500 million, the fee will be 0.05 per cent. per annum and if the AUC is US$500 million or above, the fee will be 0.04 per cent. per annum. The annual fee is charged on a monthly basis on the face value of the Company's portfolio and includes charges for preparing stock registration, corporate actions and reporting services subject to a minimum fee of US$5,000 per month. There is also a transaction fee of US$20 for each transaction settlement. The Custodian is entitled to reimbursement of all reasonable out-of-pocket expenses incurred in connection with its duties.

The Custodian Agreement is terminable by either the Company or the Custodian with immediate effect if there has been a material breach by either party and such breach has not been remedied within 30 days of receipt of notice of such party from the non-breaching party or upon either party giving at least 90 days prior written notice to the other party. Furthermore the Custodian Agreement may be terminated by the Custodian on the occurrence of certain events, including: (i) non-payment of fees by the Company for 90 consecutive days; or (ii) in the case of insolvency of the Company.

The Company has given certain market standard indemnities in favour of the Custodian in respect of the Custodian's potential losses in carrying on its responsibilities under the Custodian Agreement.

The Custodian Agreement is governed by the laws of Vietnam and the parties submit to the non-exclusive jurisdiction of the courts of Vietnam.

7.4 ***The Administration Agreement***

The Administration Agreement dated 23 March 2016 between the Company and Northern Trust International Administration Services (Guernsey) Limited pursuant to which the Administrator and Company Secretary provides day-to-day administration of the Company and acts as secretary and administrator to the Company including maintaining accounts, preparing interim and annual accounts of the Company and calculating the Net Asset Value.

For the provision of the services under the Administration Agreement, the Administrator and Company Secretary is entitled to receive an annual fee from the Company to be calculated as a percentage of the Company's Net Asset Value (5 basis points if the Net Asset Value is under US$400 million, 4 basis points if the Net Asset Value is between £400 million and £700 million and 2 basis points if the Net Asset Value is in excess of £700 million), subject to a minimum monthly fee of US$20,833. In addition, a fixed annual fee of US$120,000 will also be charged for corporate governance and company secretarial services provided by the Administrator and Company Secretary to the Company (the parties may by agreement revise these fees from time to time). The Administrator and Company Secretary is also entitled to an initial fee of US$40,000. The Company will also reimburse the Administrator and Company Secretary for disbursements and reasonable out of pocket expenses properly incurred by the Administrator and Company Secretary on behalf of the Company.

The Administration Agreement may be terminated by either party serving the other party with 90 days written notice or immediately (i) in the event of the winding up of (other than a voluntary liquidation for the purpose of a reconstruction, amalgamation or merger) or the appointment of an administrator, examiner or receiver to the other party or upon the happening of a like event at the direction of an appropriate regulatory agency or court of competent jurisdiction, (ii) if either party commits any material breach of the provisions of the Administration Agreement and shall, if capable of remedy, not have remedied the same within 30 days after the service of notice requiring it to be remedied (in such cases such right of termination lies with the non-defaulting party), or (iii) if the continued performance of the Administration Agreement for any reason ceases to be lawful.

The Administrator and Company Secretary will generally not be liable for any loss, damages or liabilities incurred as a result of the proper performance by the Administrator and Company Secretary of its obligations and duties under the Administration Agreement in the absence of its negligence, fraud or wilful default. To the fullest extent permitted by law, the Administrator and Company Secretary shall not be liable for any indirect, incidental, special or consequential losses including loss of profit, loss of revenue, loss of savings or goodwill. The Company will indemnify the Administrator and Company Secretary against all actions, proceedings, claims, costs, demands and expenses that may be imposed on, incurred by or asserted against the Administrator and Company Secretary in respect of any loss or damage suffered or alleged to have been suffered by any party in connection with or arising out of the proper performance by the Administrator and Company Secretary of its obligations and duties under the Administration Agreement, otherwise than as a result of some act of negligence, fraud, or wilful default on the part of the Administrator and Company Secretary. The Administrator and Company Secretary is entitled to carry on any business similar to, or in competition with, the Company or to provide similar services or any other services whatsoever to any other customer without accounting to the Company for its profits.

The Administration Agreement is governed by the laws of Guernsey.

7.5 ***The Registrar Agreement***

The Registrar Agreement dated 23 March 2016 between the Company and Computershare Investor Services (Guernsey) Limited pursuant to which the Registrar has agreed to act as registrar to the Company.

The fees payable to the Registrar are based on an initial set up fee of £2,250, and an annual fixed fee payable monthly in arrears of £5,500 plus properly incurred expenses. Additional fees may be payable dependent on the number of additional services subscribed for by the Company. The Registrar’s Agreement contains certain standard indemnities from the Company in favour of the Registrar and from the Registrar in favour of the Company. The Registrar’s liabilities under the Registrar’s Agreement are subject to a financial limit.

The Registrar Agreement is governed by the laws of Guernsey.

8. RELATED PARTY TRANSACTIONS

Save as disclosed in Note 20 on page 104 of the Company’s report and accounts for the financial period ended 30 June 2015, in Note 28 on page 102 of the Company’s report and accounts for the financial period ended 30 June 2014, and in Note 30 on page 100 of the Company’s report and accounts for the financial period ended 30 June 2013, the Company was not a party to, nor had any interest in, any related party transaction (as defined in the Standards adopted according to Regulation (EC) No.1606/2002) at any time since 1 July 2012 and the date of this document.

9. LITIGATION

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware as at the date of this document) during the 12 months immediately preceding the date of this document which may have, or have had in the recent past, a significant effect on the Group's financial position or profitability.

10. THIRD PARTY INFORMATION

10.1 Certain information contained in this document has been sourced from third parties. Such information has been accurately reproduced and, as far as the Company is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

10.2 The Investment Manager, whose address is set out in paragraph 11.2 of this Part 5 and who is interested in the Company by virtue of its appointment as the Company's investment manager, accepts responsibility for the sections entitled "6. Portfolio" and "7. Investment Criteria and Investment Process" in Part 1 of this document and the section entitled "2. The Investment Manager" in Part 2 of this document and declares that, having taken all reasonable care to ensure that such is the case, the information attributable to it in this document is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. The Investment Manager consents to the inclusion of such information attributed to it in the form and context in which it is included.

11. GENERAL

11.1 The costs and expenses of Admission are estimated to be between US$1.2 million and US$1.5 million and will be borne by the Company.

11.2 The Investment Manager is a company with limited liability incorporated in the Cayman Islands with company registration number IC-214389 on 18 July 2008 and operates under the Cayman Islands Companies Law. The Investment Manager is registered with the Cayman Islands Monetary Authority as an "Excluded Person" under the Cayman Islands Securities Investment Business Law and is therefore not regulated by the Cayman Islands Monetary Authority or by any other regulator. The address of the Investment Manager is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, and its telephone number is +1 345 949 8066. The Investment Manager has given and not withdrawn its written consent to the issue of this document with references to its name in the form and context in which such references appear.

11.3 Standard Chartered Bank is a bank incorporated in England with limited liability by Royal Charter with registration number ZC000018 and operates under the UK Companies Act 2006. The registered office of Standard Chartered Bank is 1 Basinghall Avenue, London EC2V 5DD with phone number +44 (0) 207 885 8888 and the place of business of its wholly owned subsidiary, Standard Chartered Bank (Vietnam) Limited (registered number 0104005497) is Room 1810-1815, Keangnam Hanoi Landmark Tower, Pham Hung Road, Me Tri Ward, Nam Tu Liem District, Hanoi, 10000, Vietnam. Standard Chartered Bank is authorised by the Prudential Regulation Authority and regulated by the FCA and Prudential Regulation Authority in the UK, and by the Monetary Authority of Singapore in Singapore.

11.4 Prior to the Migration, PricewaterhouseCoopers Hong Kong of 21/F Edinburgh Tower, 15 Queen's Road Central, Hong Kong, was the auditor for the Company. PricewaterhouseCoopers Hong Kong is a member of the Hong Kong Institute of Certified Public Accounts. Upon Migration, the Company has appointed PricewaterhouseCoopers CI LLP to act as its auditor for the financial year ending 30 June 2016. PricewaterhouseCoopers CI LLP is a member of the Institute of Chartered Accountants in England and Wales.

11.5 Numis is registered in England and Wales under number 02285918 and its registered office is at 10 Paternoster Square, London EC4M 7LT. Numis is regulated by the FCA and is acting in the capacity of sponsor to the Company. Numis has given, and has not withdrawn, its written consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear.

11.6 No application is being made for the Shares to be dealt with in or on any stock exchange or investment exchange other than the Main Market.

11.7 The Company has no employees and no premises.

11.8 The Company is not dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Company's business or profitability.

12. DOCUMENTS AVAILABLE FOR INSPECTION

12.1 Copies of the following documents will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document until Admission:

12.1.1 the memorandum of incorporation and the Articles;

12.1.2 the statutory accounts for the financial periods ended 30 June 2013, 2014 and 2015; and

12.1.3 this document.

Dated 23 March 2016

PART 6

DEFINITIONS AND GLOSSARY

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

Administration Agreement	the Administration Agreement dated 23 March 2016 between the Company and the Administrator and Company Secretary, a summary of which is set out in paragraph 7.4 of Part 5 of this document
Administrator and Company Secretary	Northern Trust International Fund Administration Services (Guernsey) Limited
Admission	admission of the issued Shares to the Premium Listing segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities
AIC	the Association of Investment Companies
AIC Code	the AIC Code of Corporate Governance
AIFM Directive	the EU Directive on Alternative Investment Fund Managers (No. 2011/61/EU)
AIFM	an alternative investment fund manager
Articles	the articles of incorporation of the Company, as amended from time-to-time
Auditor	PricewaterhouseCoopers CI LLP
Capital gains tax	UK taxation of capital gains or corporation tax on chargeable gains, as the context may require
Capital Markets Portfolio	the investments of the Group excluding the Direct Real Estate Portfolio and including any securities held by the Group in VinaLand Limited
certificated or **in certificated form**	not in uncertificated form
Clearstream	the system of paperless settlement of trades and the holding of shares without share certificates administered by Clearstream Banking SA
Companies Law	the Companies (Guernsey) Law, 2008 (as amended)
Company	VinaCapital Vietnam Opportunity Fund Limited, a company registered in Guernsey under the Companies Law with registered number 61765 and registered as a Registered Closed-ended Collective Investment Scheme with the GFSC
CRA Regulations	means Regulation (EC) No 1060/2009 on credit rating agencies
CREST	the computerised settlement system operated by Euroclear UK & Ireland Limited, being the operator of CREST, which facilitates the transfer of title to shares in uncertificated form
Custodian	Standard Chartered Bank (Vietnam) Limited

Custodian Agreement	the custodian agreement dated 3 December 2014 between the Company, and the Custodian, a summary of which is set out in paragraph 7.3 of Part 5 of this document
Directors or **Board**	the board of directors of the Company
Director of Income Tax	the Director of Income Tax in Guernsey who is responsible for the care and management for law relating to income tax
Direct Real Estate Portfolio	the Group's direct real estate and hospitality holdings (but excluding any securities held by the Group in VinaLand Limited and any other publicly quoted or traded securities)
Disclosure and Transparency Rules	the disclosure rules and transparency rules made by the FCA under Section 73A of FSMA
EEA	European Economic Area
ERISA	U.S. Employee Retirement Income Security Act of 1976, as amended
EU	the European Union
Euroclear	the system of paperless settlement of trades and the holding of shares without share certificates administered by Euroclear Bank
FATCA	Sections 1471 through 1474 of the U.S. Internal Revenue Code
FCA	the Financial Conduct Authority
Financial Reporting Council	the UK Financial Reporting Council
FSMA	the Financial Services and Markets Act 2000 and any statutory modification or re-enactment thereof for the time being in force
Group	the Company and its subsidiaries
GDP	gross domestic product
GFSC	the Guernsey Financial Services Commission
Guernsey	the Island of Guernsey
HMRC	Her Majesty's Revenue and Customs
IFRS	International Financial Reporting Standards
Introduction Agreement	the introduction agreement dated 23 March 2016 between the Company, VinaCapital Group Limited, the Investment Manager and Numis, a summary of which is set out in paragraph 7.1 of Part 5 of this document
Investment Manager	VinaCapital Investment Management Limited
Investment Management Agreement	the investment management agreement dated 14 October 2014, between the Company and the Investment Manager, a summary of which is set out at paragraph 7.2 of Part 5 of this document

Investment Team	a separately identifiable group of personnel within the Investment Manager that is led by a Managing Director and is responsible for managing specific types of investments and whose performance is evaluated based on the performance of those investments
ISA	UK individual savings account
ISIN	International Securities Identification Number
Listing Rules	the listing rules made by the UKLA pursuant to Part VI of FSMA
London Stock Exchange	London Stock Exchange plc
Main Market	the main market for listed securities of the London Stock Exchange
Member States	member states of the EU
Migration	the de-registration of the Company in the Cayman Islands and the re-registration of the Company under Guernsey law
Model Code	the Model Code for directors' dealings contained in the Listing Rules
Multilateral Agreement	has the meaning given to it in Part 4 of this document
Net Asset Value or **NAV**	the value of the Company's assets less its liabilities, as determined in accordance with guidelines laid down by the Board from time to time
Net Asset Value per Share or **NAV per Share**	in relation to each class of Shares and as the context may require, the Net Asset Value divided by the number of Shares of the relevant class in issue from time to time
Non-Qualified Holder	any person whose ownership of shares may: (i) cause the Company's assets to be deemed "plan assets" for the purposes of the Plan Asset Regulations or the U.S. Code; (ii) cause the Company to be required to register as an "investment company" under the U.S. Investment Company Act (including because the holder of the shares is not a "qualified purchaser" as defined in the U.S. Investment Company Act) or to lose an exemption or status thereunder to which it might otherwise be entitled; (iii) cause the Company to register under the U.S. Exchange Act, the U.S. Securities Act or any similar legislation; (iv) cause the Company not to be considered a "foreign private issuer" as such term is defined in rule 36-4(c) under the U.S. Exchange Act; (v) result in a person holding Shares in violation of the transfer restrictions put forth in any prospectus published by the Company, from time to time; (vi) cause the Company to be a "controlled foreign corporation" for the purposes of the U.S. Code; (vii) cause the Company to suffer any pecuniary disadvantage (including any excise tax, penalties or liabilities under ERISA or the U.S. Code or (viii) result in any Shares being owned, directly or indirectly, by any person who is deemed to be a Non-Qualified Holder in accordance with the Articles

Numis	Numis Securities Limited
Official List	the official list of the UK Listing Authority
Plan Asset Regulations	the regulations promulgated by the U.S. Department of Labor at 29 CFR 2510.3-101, as modified by section 3(42) of ERISA
POI Law	The Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended
Portfolio	as the context requires, either the Direct Real Estate Portfolio or the Capital Markets Portfolio
Premium Listing	a listing on the Official List which complies with the requirements of the Listing Rules for a premium listing
Prospectus Directive	the EU Prospectus Directive 2003/71/EC
Prospectus Rules	the prospectus rules made by the UKLA pursuant to Part VI of FSMA
RCIS Rules	The Registered Collective Investment Schemes Rules 2015 issued by the GSFC under the POI Law
Registrar	Computershare Investor Services (Guernsey) Limited
Registrar Agreement	the registrar agreement dated 23 March 2016 between the Company and the Registrar, a summary of which is set out in paragraph 7.5 of Part 5 of this document
Regulation S	Regulation S promulgated under the U.S. Securities Act
Regulatory Information Service	a service authorised by the UKLA to release regulatory announcements to the London Stock Exchange
SDRT	stamp duty reserve tax
Shareholder	a holder of Shares
Shares	ordinary shares of US$0.01 in the capital of the Company
SIPPs	self invested personal pensions
SSAS	a small self-administered scheme as defined in Regulation 2 of the UK Retirement Benefits Schemes (Restriction on Discretion to Approve) (Small Self-Administered Schemes) Regulations 1991
Takeover Code	the UK City Code on Takeovers and Mergers
UK Corporate Governance Code	the UK Corporate Governance Code as published by the Financial Reporting Council from time-to-time
UK-Guernsey IGA	has the meaning given to it in Part 4 of this document
UKLA or **UK Listing Authority**	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
United Kingdom or **UK**	the United Kingdom of Great Britain and Northern Ireland
United States of America, United States or **U.S.**	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia

U.S. Code	U.S. Internal Revenue Code, as amended
U.S. Exchange Act	U.S. Securities Exchange Act of 1934, as amended
U.S. Investment Company Act	U.S. Investment Company Act of 1940, as amended
U.S. Person	any person who is a U.S. person within the meaning of Regulation S adopted under the U.S. Securities Act
U.S. Securities Act	U.S. Securities Act of 1933, as amended
U.S.$ or **U.S. Dollar**	the lawful currency of the United States of America
VAT	value added tax
Vietnam	the Socialist Republic of Vietnam
VinaCapital Group	VinaCapital Group Limited and its subsidiaries
VND or **Vietnamese Dong**	Vietnamese Dong, the lawful currency of Vietnam
VOF Investment Team	an Investment Team serving the Company as defined in the Investment Management Agreement, or as subsequently designated by the Investment Manager, and approved by the Board, as serving the Company. At the date of this document the following investment teams are designated as acting for the Company; the Capital Markets team, the Private Equity team and the Real Estate team
£ or **Sterling**	the lawful currency of the United Kingdom

PART 7

ANNUAL REPORTS AND AUDITED FINANCIAL STATEMENTS FOR EACH OF THE THREE FINANCIAL YEARS ENDED 30 JUNE 2013, 2014 AND 2015

PART A

ANNUAL REPORT AND ACCOUNTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

VinaCapital Vietnam Opportunity Fund Limited
Annual Report 2013

VinaCapital

CONTENTS

Strong returns from listed shares and the sale of some long-held private equity holdings at a profit offset a lacklustre performance from real estate holdings and led to an increase in VinaCapital Vietnam Opportunity Fund Limited ("VOF" or "the Company") Net Asset Value ("NAV") per share of 17.6 percent to USD2.88. Consequently the share price rose over the year by 43.9 percent to USD2.13, reflecting this return as well as a significant reduction in the share price discount to NAV to 26.0 percent as at 30 June 2013, from 38.3 percent a year ago.

The Stock Market Index of Vietnam ("VN Index") increased over the year by 13.9 percent to 481.13 as at 30 June 2013, underpinned by a combination of falling inflation and the easing of monetary policy. During the fiscal year, the capital markets component of VOF's portfolio was the largest contributor to return, increasing by 22 percent, a rise mainly attributable to listed investee companies; Vinamilk (VNM), Kinh Do Corporation ("KDC") and Hoa Phat Group ("HPG") which increased by 127.62, 31.7 and 39.27 percent, respectively. Private equity contributed positively as well, while returns from the real estate sector were negative reflecting write-downs of 15.9 percent in certain portfolio holdings.

Performance summary	30 June 2013	% Change	30 June 2012	% Change	30 June 2011
NAV per share (USD)	2.88	17.6%	2.45	5.6%	2.32
Share price (USD)	2.13	43.9%	1.50	(5.7%)	1.57
Discount	26.0%		38.8%		32.3%

Throughout the fiscal year, VOF continued to operate its share buyback programme in order to narrow the discount rate and to add value to the NAV. For the twelve month period ended 30 June 2013, VOF spent USD95.6 million to repurchase 51.2 million shares. Since the share buyback programme began in 2011, VOF has repurchased 63.2 million shares, representing 19.5 percent of the total shares in issue and adding 21 cents to NAV per share.

SECTION 1

FINANCIAL HIGHLIGHTS FOR THE FISCAL YEAR 2013

Net asset value at 30 June 2013

$752.4m

NAV per share at 30 June 2013

$2.88

Increase

17.6%

CHAIRMAN’S STATEMENT

Steven Bates
Chairman

“The Board agrees with the Investment Manager that attractive opportunities exist across the asset classes in which VOF invests and that the VinaCapital team are well placed to ferret these out.”

Dear Shareholder,
This is my first statement to you as Chairman of VOF and it has been an eventful few months since I took over from Bill Vanderfelt on his retirement. I would like to take this opportunity to thank Bill on behalf of the Board for his nine years of service which saw the Company grow from an initial USD10 million of assets to one of the largest closed end funds focused on Vietnam.

I want to set out a number of important issues facing VOF. In order to cover these fully, I intend to break this statement down into sections, each covering one important area. I will comment on returns including a review of the portfolio and the issues surrounding valuations; the continuation vote; corporate governance; and the discount to NAV at which the shares trade.

Returns
During the fiscal year, the NAV per share rose by 17.6 percent from USD2.45 to USD2.88, while the share price rose 43.9 percent from USD1.50 to USD2.13, reflecting a narrowing of the discount from 38.8 percent to 26.0 percent. Over the same period, the VN index rose by 13.9 percent in US Dollar terms. It is obviously pleasing to be able to report these good results, which reflect a robust investment management performance. Net assets at 30 June 2013 were valued at USD752.4 million. The portfolio comprises three main segments, described below, which account for 86 percent of net assets. The balance is held in cash and bonds to be used for new opportunities and to finance the buyback.

Listed Portfolio (47.4 percent of NAV)
The bulk of the return over the year is down to the performance of the listed equity segment of the portfolio. Here, the single most important contributor to return was VOF’s largest listed holding, Vinamilk, an excellent company whose share price rose 132 percent over the year. This asset alone represents 15.4 percent of VOF’s total assets and 32.5 percent of the listed portion of the fund.

Decisions on whether and when to reduce the size of this position are hotly debated within the investment team, and centre on the trade-off between the quality of the business and the level of valuation. Over the past year, the Investment Manager, VinaCapital Investment Management Limited (“VCIM” or “the Investment Manager”), has sold 1,750,000 shares, at a weighted average premium to the quoted price of 15.4 percent, as Vinamilk, along with many other companies in the portfolio, has a limit on the percentage of shares which can be owned by foreigners, and this quota is often full. This premium is not reflected in the NAV but may be a source of hidden value for the Company. In addition to holdings in the consumer goods sector (which includes Vinamilk), the listed assets are also heavily represented in the financial services and agribusiness sectors, and are focused on companies which the Investment Manager believes are sound businesses at reasonable valuations.

Real Estate Portfolio (25.4 percent of NAV)

As there are limited opportunities in Vietnam to invest in completed quality property developments for yield and capital gains, of necessity VOF's exposure to real estate has had to take the form of development with all of the risks and issues that entails. Conceptually, the original investment strategy was to invest as a developer and sell rather than to hold completed buildings for the longer term. In practice, for a variety of reasons development periods have been much longer than the Investment Manager expected. Nevertheless, the Investment Manager believes that real estate has attractive longer term prospects in a fast growing country such as Vietnam, which requires all manner of quality property developed to international standards. Real estate is the largest single sector weighting in the fund. About half these assets are direct investments held in projects jointly with VinaLand Limited ("VNL") another closed end AIM-listed company managed by VinaCapital Investment Management (VCIM). The majority of projects consist of land earmarked or partially developed as residential, 'villa' projects, rather than condominiums, office, commercial or industrial development. The Investment Manager believes that this represents the best ongoing strategy. A further 9 percent is invested in hotels, the lion's share of which is VOF's flagship hotel asset, the Sofitel Legend Metropole Hanoi (Metropole Hotel), which continues to deliver excellent operating results on the back of high room rates and occupancy levels. The balance of 6 percent is invested in indirect property assets, mostly in listed equities exposed to the sector, and including a position in VNL itself. Despite the Investment Manager's belief in the longer term attraction of real estate investment, the shorter term has seen lacklustre performance. During the year, we took further write-downs on our direct holdings, so this part of the portfolio contributed negatively to the year's results. All of our real estate investments are valued independently by internationally recognised real estate valuers on the basis either of discounted cash flow analysis or of appropriate comparable assets, depending on the circumstances.

VNL is in the process of realising assets in order to return capital to its investors and it is likely that this exercise will involve the sale over a period of time of some or all of the projects jointly owned with VOF. The decision to sell VOF's interest in a jointly held project is independent of VNL's, but VOF itself has neither the desire nor the capacity to manage the developments and risks which would be associated with standing aside in circumstances where VNL sells its (usually controlling) stake. For this reason, your Board is looking to strengthen its relationship with the Board of VNL, in order to minimise the conflicts of interest which could arise in these circumstances. Although there is no pressure on us to sell assets at depressed prices, in practical terms, we are limiting the amount of new capital available to VNL-controlled joint projects except where follow-on capital is required to protect our investment and the next three years or so is likely to see an overall reduction in our exposure.

Private Equity and OTC Portfolio (4.2 and 6.4 percent of NAV respectively)

VOF made some important sales from its private equity portfolio, earning good returns from Prime Group, a construction materials company sold in April 2013 at a multiple of 2.4x cost for an IRR of 34 percent and TMS, a transport and logistics company sold in March 2013 at a multiple of 1.4x cost for an IRR of 9 percent. Redeploying assets into attractive private equity opportunities is an important challenge and opportunity in the year ahead. While there is a new deal pipeline valued at over USD100 million, the likelihood is that only a small proportion of that will be investable at attractive valuations. Sectors under review include food processing, media and education.

VOF has made excellent returns over the years from assets in this segment, buying into companies, supporting the business restructuring and building before selling on to trade buyers, mostly from outside Vietnam. The Investment Manager continues to believe that although returns from both OTC and private equity investments will be good, the challenge rests in developing the deal flow, and making investments of a scale that 'move the dial'.

While OTC companies are traded and quoted prices are available, many of them trade rarely and have private equity characteristics. The bulk of the 6 percent in OTC assets is invested in a manufacturer and distributor of crop protection chemicals called An Giang Plant Protection, a company which the Investment Manager believes has excellent prospects. The Investment Manager is looking for new OTC investment targets and the supply is largely determined by the pace of privatisation of state owned enterprises.

Our investments in OTC companies are valued using the last quoted market price. Private equity investments are fair valued on the basis of cost less any impairment, except those which VOF controls and whose results are consolidated into our balance sheet, where periodic impairment tests are applied.

In part because we are obliged under accounting rules to consolidate the balance sheets of those companies where VOF has a controlling stake, VOF's accounts remain unusually complex for a closed ended fund. For this reason, our balance sheet includes, for example, inventories of birds' nests associated with our holding in Yen Viet, despite the fact that this confuses rather than enlightens the picture for shareholders. The accounting rules on this are in the process of changing and we hope to be able to produce financial statements that are easier to interpret, as they will then just account for the fair value of the investment in those companies that are currently consolidated.

Continuation

Every fifth year, the Board is obliged to put to shareholders a resolution as to whether they wish to discontinue the fund. In July 2013, shareholders voted against discontinuing the fund, by a majority of 75 percent of those voting. This time, the Board went through an extensive consultation process with shareholders prior to the vote and negotiated a revised investment management agreement with the Investment Manager. There were inevitably many views about how the fund should organise its affairs but the majority wanted VOF broadly to maintain its strategy of investing across the range of opportunities in Vietnam. This diversified approach has delivered good returns over time compared to more specialised approaches while offering a smoother ride in terms of volatility.

The new Investment Management Agreement entered into with VCIM and effective from 1 July 2013 incorporates current best market practices and current market fee arrangements. The Board agreed to cut both base and incentive fees by 25 percent in exchange for a reduction of the high water mark above which the incentive fee would be payable. We also agreed to split the portfolio into two parts, one containing the direct real estate holdings, the other the balance of the assets. To enhance the alignment of interest between the Investment Manager and the Shareholders, the Investment Manager will only earn an incentive fee on the realization value on the sales of direct real estate holdings. The total value of the assets which have been allocated to the real estate pool is just over USD200 million, or around 25 percent of VOF's aggregate net assets. This includes the projects jointly owned with VNL, a small number of other direct investments and the hospitality assets, including the Metropole Hotel in Hanoi, which is VOF's single largest real estate asset, but excludes some 5 percent of assets in the real estate sector which are listed on the stock market. Incentive fees are often criticised because they don't work as an incentive and are excessively complicated. Unfortunately, it is impossible to devise a simple structure which works as an incentive without disadvantaging shareholders. VOF's is a complex arrangement, but your Board believes it will function as an incentive for the Investment Manager, while capping the amounts that can be earned at a reasonable level. Details of the fee arrangements are provided in note 32 to the financial statements.

Discount Management

As the Board went through the shareholder consultation process, the common feedback was that the share price discount to NAV remained too high. Shareholders feel that the underlying value of the assets is either inefficiently represented by the share price and/ or that the investments are overvalued. In theory, it ought to be simple to deal with a discount by having a robust discount control mechanism which is consistently applied. Since the start of the share buyback programme, VOF has bought back 63.2 million shares at an average weighted discount of 28.2 percent, spending USD113.7 million. Given the scale of the buyback, which over the last year was amongst the largest of any London Main Market or AIM listed closed end fund, the Board is disappointed that the discount has not fallen further. At one level, this simply reflects an imbalance of supply over demand, but the reasons why that is the case are complex. Many shareholders bought into VOF at the higher levels of discount which prevailed in the past. This group has seen a narrowing of the discount and a good increase in Vietnamese equity markets, which has offered a selling opportunity even at comparatively high levels of discount. Other factors include: risk aversion in developing markets, with some shareholders reallocating capital to 'safer' assets; the level of discounts for Vietnamese funds generally; management of shareholder expectations and the inherent risk in NAV where a proportion of the assets are not priced by the market and are largely illiquid.

Whatever the reasons, your Board has decided to continue with its buyback programme over the long run, with the goal of gradually reducing the volatility and absolute level of the discount on a continuing basis and allowing the shareholder base to adjust over time. The Board takes full responsibility for the discount policy and as part of the new investment management agreement have removed what was a significant disincentive for the Investment Manager to support buybacks as they will benefit from NAV accretion. The Board is also attempting to be more transparent to our shareholders through improved corporate governance and communication. The goal has to be to ensure that over time there are more buyers than sellers, even when the only buyer is the Company.

Corporate Governance
This topic is about trying to give you, our shareholders, more of a voice in your Company. We, as your Board are pursuing a number of initiatives:

1. AGM – at our first ever AGM, which we are now committing to hold every year towards the end of November or beginning of December, you will have a chance to vote, inter alia, on the election of Directors and the adoption of the financial statements. This year, the AGM will be held in Zurich on 28th November. Andy Ho, the head of VOF's investment management team, will be giving a portfolio update and all shareholders are welcome to attend;

2. Articles of Association – this year, we will be asking at the AGM for one change to our Articles. This involves the reduction of the percentage of shares required to call an EGM from 25 percent to 10 percent. The Board believes this would be a significant advance in shareholder enfranchisement and will undoubtedly give you more control over what is, after all, your Company. This change requires approval by a special resolution of two thirds majority of those voting, and I urge you to vote in favour of this resolution;

3. Remuneration cap – We will also be putting an ordinary resolution to the meeting to increase the cap on Directors' fees from USD300,000 to USD500,000. This increase is to ensure that we have the capacity to add at least one further independent Director, as well as to allow an increase in fees to reflect market levels and the workload involved in this complex company. We have also foregone the subsidy to Directors' fees historically provided by the Investment Manager, as we believe this has the potential to create a conflict with regard to the independence of the Directors not employed by the Investment Manager;

4. Directors' Report – in these financial statements, we give considerable detail about the workings of the Board and its Committees. At our Board meeting on 9 July 2013, we decided to merge the Audit Committee with the Valuation Committee to reflect the increasing involvement of the valuation processes in determining the accounts. Michael Gray is the Chairman. We have also set up separate committees to deal with Management Engagement, Remuneration and Nomination;

5. Directorate – during the past year, Martin Adams and I have both joined the Board. Martin is a veteran of investment in Vietnam and is a specialist in private equity, with a wealth of board experience in complicated funds. My background is as an emerging markets investor with a long history in the closed end fund world. We are also committing to a policy of director rotation, where each independent Director will put himself up for re-election every year. Don Lam, who is, of course, the CEO of the Investment Manager and therefore non-independent, will put himself forward for re-election as he will every year at the AGM. As this will be the first time that shareholders will be given the opportunity to vote on the Board, all Directors will offer themselves for election;

6. Regulation – there are two possible regulatory developments lurking in the wings. The first is the Alternative Investment Funds Directive (AIFMD), a piece of EU legislation which is aimed at hedge funds and private equity vehicles but inadvertently captures certain closed end funds. The second is FATCA, a US initiative which attempts to extend the reach of the US tax authorities into the investing world outside the US. We are taking advice on both of these, and the current view is that while we may need to register with certain regulatory bodies, neither will affect the operation of the Company. Nevertheless, the advancing regulatory tide we are witnessing globally makes it likely that at some point VOF will be caught in new reporting requirements;

7. Shareholder Communication – all of us on the Board are available to shareholders. We will be present at the AGM to answer questions in person, and can be contacted through either of the Company's brokers or through the Investment Manager.
We also intend to continue with the provision of timely information through announcements to the market, the Company's website and the reports of the Investment Manager.

Outlook

Your Investment Manager comments at length on the outlook for the Vietnamese market in the Investment Manager's Report which follows. The Board is optimistic about the prospects for markets in Vietnam in the medium term, but acknowledges that there are some short term headwinds which may cause uncertainty. These blow from outside the country as well as from within. In particular, the likely shift in the developed world to more conventional monetary conditions is likely to cause increased volatility in markets generally as liquidity tightens. The flipside of this, of course, is that the anaemic growth in developed countries may improve somewhat and reduce one of the factors limiting growth in the developing Asian region. Inside Vietnam, weak banks are in need of major restructuring and the business environment remains difficult for companies which seek free and open markets with the accompanying profitability. Nevertheless, the Board agrees with the Investment Manager that attractive opportunities exist across the asset classes in which VOF invests and that the VinaCapital team are well placed to take advantage of these opportunities.

Steven Bates
Chairman
VinaCapital Vietnam Opportunity Fund Ltd
25 October 2013

SECTION 2

INVESTMENT MANAGER'S REPORT

INVESTMENT ENVIRONMENT

Economy

Vietnam's macroeconomic conditions are experiencing a third year with an improving trend, after the challenges the country faced from 2008 to 2010 following the global financial crisis. Vietnam's top leadership group continues to demonstrate the political will to drive forward the implementation of major reform programs in place since 2011. Government policies appear more transparent and stable, and less subject to sudden changes when faced with unexpected difficulties. Foreign investment continues to play an important role and is necessary to allow the country to evolve in an efficient manner, as Vietnam shifts from an export-led growth economy, to an economy driven by rapid household wealth creation and increased domestic consumption.

GDP growth

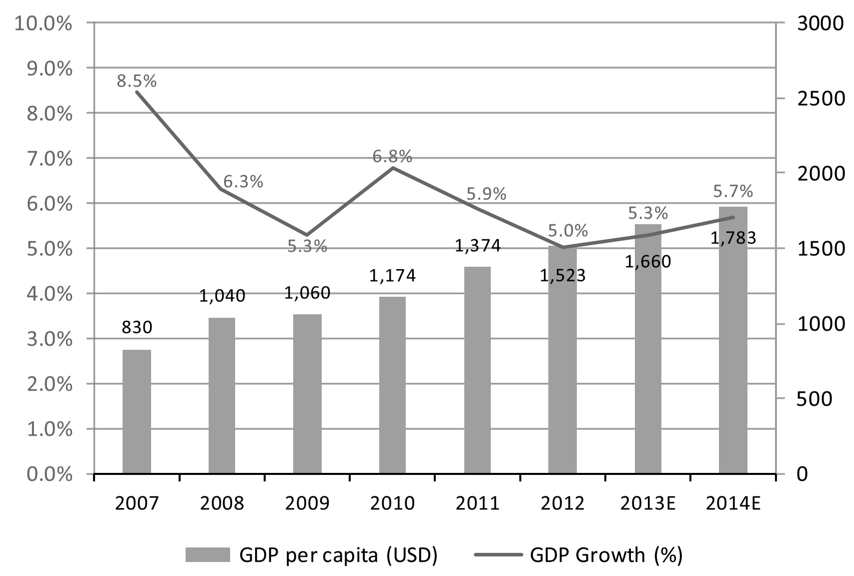
The government's prioritization of macroeconomic stability has come at the expense of lower GDP growth. 2012 started with a slower GDP growth rate of 5.2 percent. This trend continues, and in the first half of 2013, where GDP growth remained at 4.9 percent versus the government's full year target of 5.5 percent. HSBC's Purchasing Managers' Index has hovered slightly below the 50 point threshold, indicating a contraction in activity across manufacturing industries. The State Bank of Vietnam ("SBV") has responded, in part, with continued loosening of monetary policy to support economic growth. The SBV cut its policy rate nine times during the past years with the goal of increasing credit growth, bringing the Vietnam Dong ("VND") deposit cap from 14 percent in late 2012 to 7 percent by June 2013.

Credit growth

Banks remain resistant to offering new loans to domestic companies due to continued concerns over non-performing loans ("NPL's") remaining in the banking system. Vietnam businesses rely heavily on bank credit for their operations, including for the financing of working capital. When this funding source is constrained, production in most sectors will hold steady or scale back. In previous years, credit growth ran at a 30 percent annual average rate. In 2012 this contracted to 9 percent, and as of June 2013 declined further to 5 percent. The SBV target of 12 percent credit growth for the full year, although it may come close, is unlikely to be achieved. In order to address the problem of NPL's and rising bad debts, the government has established an asset management company, with the objective of buying and restructuring bad debts from commercial banks, thereby stimulating credit growth from these commercial banks.

With the Vietnam Asset Management Company (VAMC) officially established and the USD1.4 billion housing credit package launched in the second quarter of 2013, the government has begun to carry out its promise of addressing the NPL problem. The SBV Governor estimated that VAMC would purchase about USD2-3 billion worth of NPLs this year in an effort to clean up the banks' balance sheets and boost credit.

GDP Growth



Source: General Statistics Office of Vietnam ("GSO"), VinaCapital estimate.

Inflation

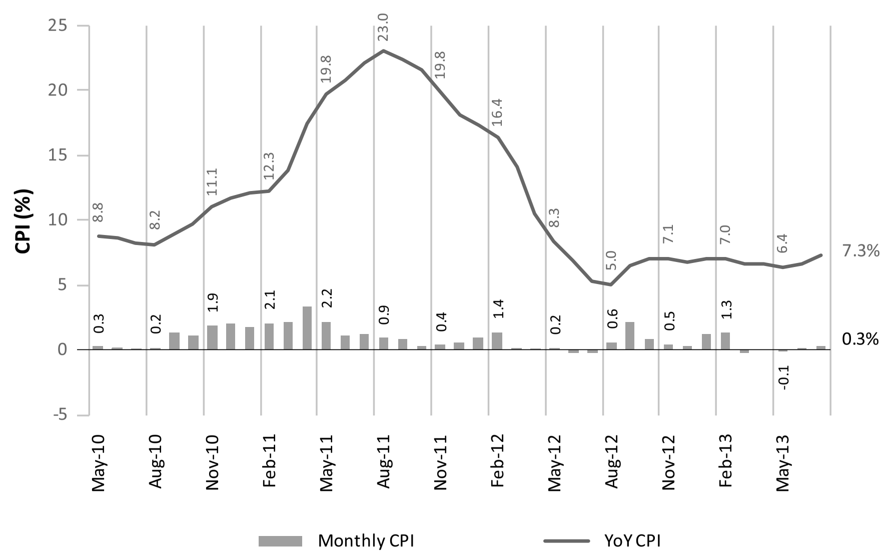
Inflation for the 2013 fiscal year has been remarkably moderate and stable, starting with 6.9 percent year-on-year in June 2012 and ending at 6.7 percent year-on-year in June 2013. Such low inflation can be attributed to two primary factors; a slowdown in credit growth, and weak aggregate demand. Inflation in 2013 has been characterized by an absence of demand pressures due to a modest rate of economic growth, the lowest increase since 2009, at the commencement of the global financial crisis. Cost push forces play a dominant role, coming mostly from upwards adjustments as a result of the government's policy of removing subsidies from certain goods and services such as gasoline, electricity, hospital fees, and education expenses. Learning lessons from the past, the government has also managed inflation by spreading out these measures which equate to price increases over the year, to avoid a bunching-up effect which can cause a temporary spike in the consumer price index.

Foreign currency

On a positive note, the government has been able to maintain a successful foreign exchange policy. A stable exchange rate, along with moderate inflation, are the two pillars of macroeconomic stability. The Vietnam Dong has remained resilient and stable – demonstrated by the fact that the SBV was able to keep the official exchange rate at 20,828 to the US Dollar for 18 months, and only recently in June 2013 was there a 1 percent adjustment to 21,036. This devaluation was not due to market pressures, but in effect a policy adjustment in support of Vietnam's export industries. Furthermore, with official reserves of approximately USD30 billion as indicated by the Prime Minister in April 2013, the SBV is armed with sufficient liquidity to carry out market intervention to maintain stability in the foreign exchange market.

Going forward, we expect the SBV to maintain a goal of keeping the annual depreciation at a level of 2 percent or less. The SBV is aware that it should keep the foreign exchange risk at a low level in order to encourage foreign investors to invest in Vietnam.

Year-on-year and month-on-month inflation %



Source: GSO

Capital markets and private equity

While challenging economic conditions continue to shape Vietnam's investment environment, the performance of the capital markets has improved and outpaced regional peers in USD terms. The VN Index closed at 481.1, increasing 12.5 percent in USD terms, although the much smaller HNX Index dropped by 15.2 percent for the year. Meanwhile, over the same period the MSCI Asia ex-Japan and MSCI Emerging Markets indices increased 8.9 and 3.8 percent, respectively.

During the year, the average daily trading value was USD45 million, for both exchanges, decreasing 6.3 percent compared to USD48 million for the previous financial year. The combined market capitalisation for both of Vietnam's bourses was USD42.1 billion with the VN Index trading at a trailing price-to-earnings ratio of 13.4 times and price-to-book ratio of 1.7 times as of 30 June 2013. This was one of the lowest valuations for an emerging market and is clearly lower than the P/E ratios of regional peers such as Thailand, Indonesia and the Philippines.

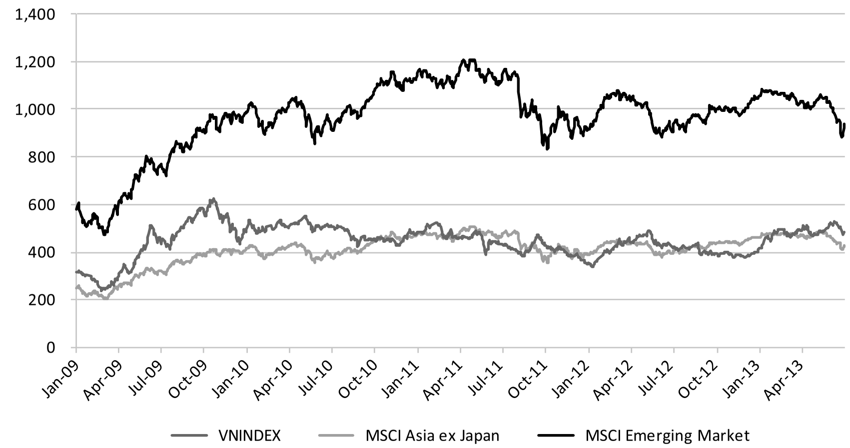
Overall, foreign investors were net buyers, with total net purchases of USD343 million during the year, compared to a net sell position of USD62 million for the previous financial year. The top acquired companies across the 2 bourses were Masan Group (MSN), Vincom Group (VIC), PetroVietnam Gas (GAS), Phu My Fertiliser and Hoa Phat Group (HAG), while Vietinbank (CTG), Eximbank (EIB), Hoang Anh Gia Lai Group (HAG), Minh Phu Corporation (MPC), and Sacombank (STB) were actively divested.

Despite the backdrop of slower growth, Vietnam's domestic consumer demand remained high throughout the year, favouring companies in sectors that cater to this ongoing trend such as consumer goods, financial services, healthcare and education. As a result, these sectors continue to attract foreign strategic investors which, in turn, facilitates divestment opportunities in the form of trade sales. Throughout the year, the valuations for private equity holdings and listed assets within these areas remained consistent, despite the volatility in the overall markets.

Real estate market

Vietnam's real estate market remained challenging over the past twelve months as high financing costs, difficult economic conditions, and low market confidence continued to impact property developers and prospective home buyers. Nonetheless, since the beginning of 2013 there has been a significant improvement in terms of the government's determination and action towards reviving the real estate market.

VN Index -vs- MSCI Asia ex-Japan and Emerging Markets



Source: Bloomberg (Jan 2009 – Jun 2013)

A new decree (Decree 11) came into effect in March 2013 which allows real estate investors to sell land lots with completed infrastructure, allowing the land use rights to be transferred to individuals to build their own houses in accordance with approved plans. This new provision should have a positive impact on the portfolio. Where the infrastructure is complete, such as with Ocean Villas K Series, Norman Estates, and Dai Phuoc Lotus, there is now an alternative sales option for VOF and VinaLand's (VNL's) traditional land/villa packages.

The second quarter of 2013 continued to witness the Vietnam Government's efforts to revive the whole economy and the property market. With inflation subdued, the SBV implemented another rate cut in late June 2013 which brought the VND deposit rate cap to 7 percent. Despite the policy rate cuts and the SBV's continual call for lower lending rates, access to borrowing for all businesses in general and for real estate in particular remained very limited. Lending rates for real estate are still high at an average of 13 to 15 percent. Banks are demanding high collateral in view of the slow market, making it a challenge to seek new loans or refinance existing ones. Until the status of NPLs status in the banking system improves, lending activities and rates are not likely to improve, especially for the real estate sector.

Condominium/apartment sector
The condominium sector continued to experience stagnation over the past twelve months. Many developers still face financial challenges leading to a decrease in completed units; however there is still a significant oversupply. According to Jones Lang LaSalle and CB Richard Ellis (CBRE), primary and secondary prices have continued to trend downward. Take-up remains limited, and since the fourth quarter of 2012, has occurred mainly in the low-end and affordable segments, for developments that are either completed or scheduled to be handed over during 2013.

Landed property sector
In both primary and secondary markets, overall prices of villas and townhouses have trended down and take-up rates remained very slow given the numerous options available. Demand still exists for landed projects by reputable developers who produce quality products with good master planning. CBRE forecasts that the segment will remain stagnant for the rest of 2013, although it should recover at a faster rate than the condominium sector when the market rebounds, as Vietnamese generally prefer landed houses to apartments.

Retail property sector
Vietnam's retail sector saw a significant increase in supply during the past four quarters with new shopping centres opening in both Hanoi and Ho Chi Minh City. Central Business District ("CBD") retail space remained attractive, averaging over 85 percent occupancy in Ho Chi Minh City and Hanoi. During 2012, many new foreign brands entered the Vietnam market for the first time including Sisley, Christian Dior, Banana Republic, and Starbucks Coffee, and the expansion from digital product retailers such as Samsung and Sony. Many big retail groups are planning for longer term strategic expansion in 2013 and beyond, including Aeon (expanding to 20 shopping malls by 2020), FairPrice (forming a joint venture with CoopMart to open CoopXtraPlus in May 2013), and Lotte Group (planning to open 60 new supermarkets and shopping centres). Furthermore, in Q2 2013 Warburg Pincus acquired a 20 percent share in VinGroup Retail for an estimated USD200 million. This deal demonstrates that specific developments located in the right locations and with the right retail concepts will be sought after.

Hospitality property sector
In the hospitality sector, Vietnam's hotels experienced a difficult year in 2012 with occupancy and room rates falling by 3 and 7 percent year-on-year respectively according to Savills. Difficult global and domestic economic conditions have significantly affected demand for both business and leisure travel and foreign arrivals have declined since the beginning of 2013. Hotels, as a result, have been flexible in their pricing strategies so as to retain business.

Despite the lacklustre hospitality market, the Sofitel Legend Metropole Hanoi Hotel has performed remarkably well during FY2013. Similar to FY2012, this hotel continues to deliver record growth with regards to average room rates, revenue and Gross Operating Profit ("GOP"). The Sofitel Legend Metropole Hanoi Hotel is a unique property in the central part of Hanoi attracting not only wealthy tourists but also business executives, foreign diplomats and royalty, from Tony Blair the former Prime Minister of the United Kingdom, to His Royal Highness Prince Andrew the Duke of York.

Real estate outlook
Vietnam's real estate market has been though a prolonged difficult period over the past 24 months. However, macro indicators appear to be under control and are heading in the right direction with improved stability. Given the current policy on gold trading, declining interest rates and a recent VND devaluation, it is expected that residential real estate will again become attractive to Vietnamese investors as these alternatives begin to offer less attractive returns.

It is expected that more developers will pay attention to the affordable and mid-range housing where large demand still exists and take advantage of current government policies offering incentives in this segment. Prices of newly launched projects are expected to be more realistic and match product quality. In the commercial sector, as the country continues to grow and disposable income increases, albeit at a slower pace than before, market confidence and demand for retail space shall remain reasonable. The Vietnam government is determined to revive the country's real estate market and has implemented various supporting fiscal and monetary policies to assist in a recovery. Although these policies have somewhat improved market confidence, they still require more time to show a real effect on market activity.

INVESTMENT MANAGER'S REPORT

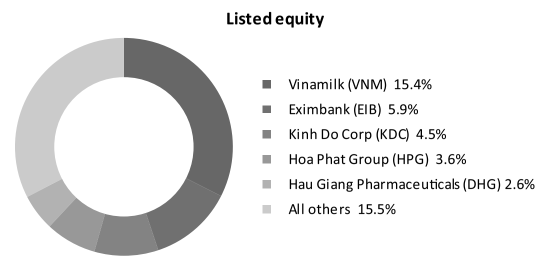
PORTFOLIO PERFORMANCE

VOF had an audited NAV of USD752.4 million as at 30 June 2013, representing a NAV per share of USD2.88. This was an increase of 17.6 percent from an audited NAV per share of USD2.45 as at 30 June 2012, of which NAV accretion from share buybacks accounted for 16 cents or 5.7 percent. The improvement in NAV was a result of a significant increase in VOF's capital markets portfolio, which returned 26 percent year-on-year, as well as several successful divestments of private equity holdings above VOF's carrying value at the time of sale.

During the year, 51.2 million shares were purchased by VOF and held as treasury shares, with a total price of USD95.9 million (at an average price of USD1.87 per share), thus reducing the total number of outstanding shares by 15.8 percent to 273.5 million shares (from 312.5 million shares as at June 2012). Both the Board and the Investment Manager believe that this ongoing share buyback programme is a good method to distribute capital to shareholders and narrow VOF's share price to NAV per share discount.

Listed Portfolio
The listed equity segment of the portfolio, which makes up 47 percent of NAV, delivered the bulk of the return over the year. This segment delivered a 26 percent return (equivalent to USD98.5 million total gain) over the fiscal year, and outperformed the VN Index, which returned 13 percent over the same period. Here, the single most important contributor to return was VOF's largest listed holding, Vinamilk, an excellent company in the food and beverage sector whose share price rose 132 percent over the year. As at June 2013, this asset alone represented 15.4 percent of VOF's total assets and 32.5 percent of the listed portion of the fund. We recognize that Vinamilk represents a substantial portion of the portfolio but feel that the growth potential of the company in the foreseeable future is still strong, both in terms of sales and profits.. Vinamilk's run rate for calendar year 2013 indicates that it can potentially grow revenue and profit by 20% and 15%, respectively, relative to CY 2012.

In addition to further holdings in the consumer goods sector which, with Vinamilk, represent approximately 22 percent of the overall portfolio, the listed assets are also heavily represented in the financial services and agribusiness sectors, and are focused on companies which we believe are sound businesses at reasonable valuations and with strong growth potential. Strong performers over the year included companies in food & beverage (KDC), fertilizer (DPM) and tire manufacturing(DRC). Conversely, holdings in companies in banking (EIB), real estate development (KDH), and jewellery retailing (PNJ) saw declines.



Real Estate Portfolio

Real estate is the largest single sector weighting in the fund, making up 25 percent of NAV. Of this, 16 percent of NAV is in direct investments through projects held jointly with VinaLand Limited (VNL), another closed-end AIM-listed company managed by the Investment Manager. The majority of this is invested in land development, but largely excluding apartments and a further 9 percent is invested in hotels. The largest share of this is VOF's flagship hotel asset, the Sofitel Legend Metropole Hanoi Hotel, which continues to deliver excellent operating results on the back of high room rates and occupancy levels. The balance of Real Estate is invested in indirect property assets, mostly in listed equities exposed to the sector, and including a position in VNL itself.

Private Equity and Over-The-Counter Portfolio

The Company made a number of material exits from its private equity portfolio including the sale of its holding in the Prime Group, a leading construction materials company, where VOF earned a multiple of 2.4x cost for an IRR of 34 percent. This divestment was executed in April 2013.

The bulk of the 6 percent in OTC assets is invested in a manufacturer and distributor of crop protection chemicals called An Giang Plant Protection, a company which we believe can deliver excellent returns. We continue to focus on investment opportunities in the OTC space, where opportunities are dominated by shares of State Owned Enterprises and family businesses that have recently privatized. Privatization is a corporate transition whereby the shares of the SOE's or family-held businesses are sold and made available to existing management, public investors and financial investors such as ourselves. It is also a process to enfranchise existing management to own a piece of the business, thereby aligning their interest with shareholders to grow and take the business to the next level, normally onto the stock market.

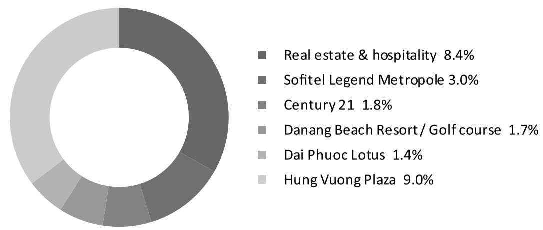
The government is motivated to continue the privatization process. Privatization is not only a form of fund raising for the government through the sale of their stakes in SOE's, but is also a proven way to increase SOE efficiency and create jobs. Again, this process effectively increases value in the privatized SOE's through better alignment of interest between the shareholders and managers.

Overall outlook

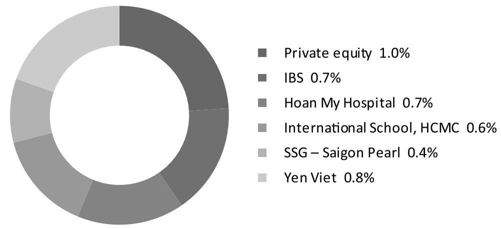
Although markets in the country have been reasonable, Vietnam has had problems of its own. A credit downturn and the emergence of a major bad debt problem have led to the creation of the Vietnam Asset Management Company to facilitate bank reconstruction. VOF's portfolio is exposed to the banking sector and has inevitably felt the effects of this challenge, which has also seen credit growth at very low levels. The holdings in this area are concentrated in what we believe to be higher quality banks.

The weak currency and rising inflation have been addressed by relatively aggressive monetary tightening policies which have had the effect of cutting credit growth and exacerbating problems in the real estate market. Inflation has responded by falling sharply and the Vietnamese Dong has stabilised, although economic growth has inevitably been sluggish as a result. On balance, the economy looks to be on a more even keel than was the case 18 months ago.

Real estate and hospitality



Private equity



Over the counter (OTC)

There has been a reported pickup in the level of interest in foreign direct investment in the first nine months of 2013 , attracted to Vietnam's manufacturing and processing industries which enjoy low labour costs compared to immediate neighbours, as well as the country's burgeoning domestic demand. FDI commitments and disbursement for the first 9 months of 2013 was $15 billion and $11 billion, a rise of 15.6 percent and 5.6 percent over the entire 2012 year. Japan was the leading country investing in Vietnam, followed closely by Singapore and Russia ranking second and third. FDI inflows are considered more favourable to economic growth as they reduce Vietnam's exposure to the volatility in global markets and the investments are considered longer term.

The stock market continues to recover from multi-year lows, in anticipation of a longer-term economic recovery. Furthermore, a stable currency has allowed investors to enjoy near similar dollar-denominated returns. Valuations of the companies in VOF's portfolio are relatively undervalued at 12x trailing earnings compared to companies in the region.

The underlying long term investment story for Vietnam remains compelling. A young, entrepreneurial population and low wages attract new investment and the country is already moving up the value-added chain. The country has excellent natural resources, especially in the agricultural sector, and is positioned strategically at the heart of one of the world's fastest growing economic regions. Living standards and consumption are rising. And there is reduced risk to changes in external market conditions affecting performance as growth is now largely driven by the domestic economy which we believe is less exposed to the global economy than more export-oriented economies.

We remain optimistic that attractive opportunities exist across the all asset classes in which VOF participates in and the VinaCapital team are well placed to identify and capitalise on these opportunities.

INVESTMENT MANAGER'S REPORT:

TOP FIVE HOLDINGS BY ASSET CLASS

Listed equity	% of NAV	Sector	Description
Vinamilk (VNM)	15.4	Consumer goods	Leading dairy company with dominant market share, with a market cap of USD5.2 billion
Eximbank (EIB)	5.9	Financial services	One of the top ten commercial banks, with a market cap of USD883.0 million
Kinh Do Corp (KDC)	4.5	Consumer goods	Top confectionery manufacturer in Vietnam, with a market cap of USD372.0 million
Hoa Phat Group (HPG)	3.6	Industrials	The largest steel manufacturer by market share, with a market cap of USD559.0 million
Hau Giang Pharmaceuticals (DHG)	2.6	Pharmaceuticals & health care	The largest domestic pharmaceutical producer, with a market cap of USD269.0 million
Over the counter (OTC)			
An Giang Plant Protection	5.4	Agriculture	The largest plant protection chemicals producer
Nam Viet Oil	0.5	Mining/Oil & Gas	Major gasoline producer
Binh Dien Fertiliser	0.3	Agriculture	The largest NPK fertiliser producer
Tam Phuoc Industrial	0.2	Infrastructure	An industrial park, a subsidiary of Tin Nghia, Dong Nai's biggest state corporation.
Minh Hai Jostoco	0.1	Agriculture	One of Vietnam's largest shrimp processors and exporters
Real estate & hospitality			
Sofitel Legend Metropole	8.4	Hospitality	Vietnam's top city-centre hotel
Century 21	3.0	Real estate	HCM City residential development
Danang Beach Resort / Golf course	1.8	Real estate	Resort villas with sales underway
Dai Phuoc Lotus	1.7	Real estate	Residential developer with townhouse sales underway
Hung Vuong Plaza	1.4	Real estate	The best shopping mall in China town of HCM City
Private equity			
IBS	1.0	Industrials	Construction materials firm
Hoan My Hospital	0.7	Pharmaceuticals & health care	Private hospital group
International School, HCMC	0.7	Education	A leading international school in Ho Chi Minh City
SSG-Saigon Pearl	0.6	Real estate	One of the biggest property developers in Vietnam
Yen Viet	0.4	Consumer goods	Produces birds nest nutritional products

Vinamilk (VNM)

Vinamilk (VNM) is the leading dairy products manufacturer and distributor in Vietnam. This Company offers a wide range of products, from fresh and powdered milk to condensed milk, yogurt, and coffee, with more than 30 percent of the total dairy market, and 90 percent market share of the yogurt segment. The domestic market accounts for about 90 percent of total sales. It is the first Vietnamese company to be one of Asia's Top 200 Small and Midsize Companies, according to Forbes, ranked 18th among the Top 200 in terms of profit and 31st in overall market value.

Vinamilk began to operate its new factory in August 2013, a USD120.0 million facility that boasts the latest technology and will add another 400 million litres of capacity for liquid milk and will provide the foundation for the development of more value-added products in the future. In April 2013, Vinamilk began operating its Dielac 2 powdered milk plant, which has doubled its powder milk capacity.

For H1 2013, VNM achieved net revenue of USD631.8 million, an increase of 14.1 percent year-on-year driven by a 21.3 percent increase in domestic sales, while net profit rose 21.6 percent. Gross margins for VNM reached 37.3 percent, the highest in three years, benefiting from a product mix featuring new premium products and effective input cost management. First half results show VNM's earnings growth is in line with our three year estimate of 16 percent.

VNM closed at VND 132,000 per share as at 30 June 2013, at a trailing PE of 17.1x and a P/B of 6.5x. As at 30 June 2013, VOF held a stake in VNM valued at USD115.7 million.

Financial highlights

Profit and loss (VND bn)	**FY10A**	**FY11A**	**FY12A**	**H1 13**
Net revenue	15,752	21,627	26,562	14,747
Net profit	3,616	4,218	5,819	3,374
Net margin (%)	23.0%	19.5%	21.9%	22.8%
EPS (adjusted) (VND)	4,563	5,144	6,982	4,047
Balance sheet (VND bn)				
Total assets	10,773	15,582	19,698	21,114
Shareholders' equity	7,964	12,477	15,493	17,031
ROE (%)	45.4%	34.1%	37.6%	19.8%[1]
Valuation				
PER (x)	8.4	11.2	12.6	17.1
P/B (x)	3.8	3.9	4.7	6.5
Dividend yield (%)	3.5%	3.9%	3.6%	2.6%

[1] Return on Equity (ROE) is calculated based on NET profit (H1 13) divided by shareholders' equity as at December 31, 2013

Sofitel Legend Metropole Hanoi Hotel

Acquired by VOF in 2005, the Sofitel Legend Metropole Hanoi Hotel is located on 7,500 sqm in the prime location of Hanoi's CBD, surrounded by various historic monuments and museums. Managed by Accor Group, the hotel operates with 364 rooms over 27,289 sqm gross floor area. In August 2011, a wartime air raid shelter was discovered hidden within the hotel grounds and is now renovated for touring.

The Sofitel Legend Metropole Hanoi's average occupancy rate was 70.9 percent throughout YTD June 2013, generating USD18.1 million in revenue and USD9.4 million in gross operating profit for YTD June FY 2013, meeting 101.7 percent, 103.2 percent, and 104.8 percent of budget targets, respectively. Management expects financial results to grow through FY 2013, with a target of USD35.7 million in revenue and USD18.4 million in gross profit, 6.3 percent and 7.2 percent growth compared to 2012, respectively. As at 30 June 2013, VOF held a stake in the Sofitel Metropole valued at USD63.5 million.

Financial highlights

Profit and loss (USD mn) *	FY10A	FY11A	FY12A	H1 13
Revenue	30.9	34.3	35.2	18.8
Gross profit	15.1	17.6	18.9	10.1
Gross margin	48.9%	51.3%	53.4%	53.7%
Net income	5.3	6.9	7.5	4.9
Net margin	17.2%	20.1%	21.3%	26.1%
Balance sheet				
Total assets	48.2	47.8	43.8	42.1
Shareholders' equity	33.4	32.2	33.2	35.1
ROE (%)	16.0%	21.0%	22.5%	14.0%[1]

*Includes other rental income and expenses.

[1] Return on Equity (ROE) is calculated based on NET profit (H1 13) divided by shareholders' equity as at December 31, 2013

Eximbank (EIB)

Eximbank is the sixth largest bank in Vietnam with USD8.9 billion in total assets. In recent years, the bank has diversified from its original focus of financing import/export operations to become a retail bank. The bank currently has one of the largest operational networks with 207 locations nation-wide.

EIB's total assets declined to VND156 trillion as at 30 June 2013, representing a 8 percent decline from VND170m as at 31 December 2012, as a result of the bank reducing its interbank operations and ending its gold deposit and lending business (required by the SBV). The company's net profit for 1H 2013 declined by 59 percent to VND581 billion due to a sharp contraction in net interest margins and a reduction in credit growth year-to-date.

EIB's share price closed 30 June 2013 at VND15,100, trading at a 12-month trailing P/E of 14.3x and P/B of 1.3x. As of 30 June 2013, VOF held a stake in Eximbank valued at USD44.4 million.

Financial highlights

Profit and loss (VND bn)	FY10A	FY11A	FY12A	H1 13
Net interest income	2,918	5,303	4,901	1,553
Net profit	1,814	3,038	2,139	581
EPS (adjusted) (VND)	1,468	2,460	1,730	470
Balance sheet (VND bn)				
Total assets	131,110	183,567	170,156	156,311
Shareholders' equity	13,510	16,302	15,812	14,492
ROE (%)	13.5%	18.6%	13.5%	4.0%[1]
Valuation				
PER (x)	9.0	5.8	9.1	14.3
P/B (x)	1.2	1.1	1.2	1.3
Dividend yield (%)	8.7%	9.8%	5.1%	–

[1] Return on Equity (ROE) is calculated based on NET profit (H1 13) divided by shareholders' equity as at December 31, 2013

An Giang Plant Protection JSC (AGPP)

An Giang Plant Protection JSC, formerly state-owned, is currently the market leader in the manufacture and distribution of pesticides in Vietnam. The company utilizes its strong and extensive distribution network of 23 stock-keeping units (SKU), 500 wholesalers and 4,500 retail outlets. The company has 2,677 employees in offices in Ho Chi Minh City and Cambodia, two pesticides and five seed factories, a laboratory, a packaging plant and two rice mills.

For H1 2013, AGPP reported revenue of USD182.7 million, up 6.0 percent and a net profit of USD5.4 million, a decline of 4 percent compared to the same period a year ago. Gross profit margins fell slightly to 25.4 percent due to losses in AGPP's rice business; however, we expect the rice division to break-even by FY 2014.

As at 30 June 2013, the company's market capitalization is approximately USD162.8 million, equivalent to P/E and P/B ratio of 6.7x and 2.2x respectively. As at 30 June 2013, VOF held a stake in AGPP valued at USD40.2 million.

Financial highlights

Profit and loss (VND bn)	FY10A	FY11A	FY12A	H1 13
Revenue	4,062	4,869	6,170	4,070
Net income	276	427	453	323
Net margin	6.8%	8.8%	7.3%	7.9%
EPS (adjusted)	6,195	6,876	7,295	5,212
Balance sheet (VND bn)				
Total assets	1,854	2,707	2,984	4,905
Shareholders' equity	1,024	1,225	1,443	1,482
ROE (%)	27.0%	34.9%	31.4%	21.8%[1]
Valuation (VND bn)				
PER (x)	12.1	7.9	6.9	5.3
P/B (x)	3.3	2.7	2.2	2.3
Dividend yield (%)	3.7%	5.5%	6.0%	N/A

[1] Return on Equity (ROE) is calculated based on NET profit (H1 13) divided by shareholders' equity as at December 31, 2013

Kinh Do Corporation (KDC)
Established in 1993 as a small bakery, Kinh Do Corporation (KDC) has grown to become one of Vietnam's largest companies. Its product lines include biscuits, cakes and other confectionary related food brands. Additionally, KDC is currently the largest moon cake producer in the world with volume of 20 million units sold per year.

For FY 2013, KDC management set a pretax net income target of USD25.0 million. Earlier this year at the company's annual meeting, shareholders approved the acquisition of a 100 percent stake in Vinabico, as an attempt to acquire smaller competitors and brands.

For H1 2013, KDC generated revenue of USD80.0 million and a consolidated net profit of USD2.2 million versus a net loss of USD0.3 million a year ago. KDC attributed its improved net profit to the company's improved operations and lower interest expenses. KDC sales and profit are highly seasonal with 70 percent of its revenue and earnings centered around the second half of the year, with a peak in sales during the third quarter from the sale of moon cakes during the Harvest Moon Festival.

KDC closed at VND46,900 per share as at 30 June 2013, at a trailing PE of 16.6x and a P/B of 1.7x. As at 30 June 2013, VOF held a stake in KDC valued at USD33.9 million.

Financial highlights

Profit and loss (VND bn)	**FY10A**	**FY11A**	**FY12A**	**H1 13**
Revenue	1,933	4,247	4,286	1,705
Net profit	524	276	353	78
Net margin	27.1%	6.4%	8.2%	4.6%
EPS (adjusted) (VND)	4,406	1,981	2,264	494
Balance sheet (VND bn)				
Total assets	5,032	5,832	5,514	6,171
Shareholders' equity	3,738	3,837	4,010	4,639
ROE (%)	14.0%	7.2%	8.8%	1.7%[1]
Valuation				
PER (x)	9.7	11.0	17.7	16.6
P/B (x)	1.4	0.8	1.6	1.7
Dividend yield (%)	2.9%	8.5%	5.2%	4.3%

[1] Return on Equity (ROE) is calculated based on NET profit (H1 13) divided by shareholders' equity as at December 31, 2013

Hoa Phat Group (HPG)

Hoa Phat Group (HPG) is a leading industrial manufacturer in Vietnam, ranked second in steel manufacturing market share in 2012. Established in 1992 as a trading company, HPG has evolved into a holding group with seven subsidiaries and three affiliated companies, specializing in construction materials such as steel, steel pipe, furniture, refrigerators, construction and mining equipment, and industrial park operations. HPG has a well established nationwide distribution and sales network, with a strong platform for future product expansion and diversification.

Despite the economic difficulties, HPG achieved very good results for H1 2013 with a significant increase in net profit by 83 percent year-on-year thanks to improved gross margins from 14.3 percent last year to 18.4 currently. Moreover, a sharp 80 percent decline in net financial expense also contributed to the boost in the company's overall net profit. HPG's current capital expenditures include a steel complex with an annual capacity of 700,000 tons and plans for expanding operations into the mining and energy sector to mitigate the company's rising utility and input costs.

As at 30 June 2013, HPG traded at VND28,200 per share, equivalent to a P/E of 8.9x and P/B of 1.3x. As at 30 June 2013, VOF held a stake in HPG valued at USD27.0 million.

Financial highlights

Profit and loss (VND bn)	**FY10A**	**FY11A**	**FY12A**	**H1 13**
Revenue	14,267	17,851	16,827	8,279
Net income	1,349	1,236	994	969
Net margin	9.5%	6.8%	5.9%	11.7%
EPS (adjusted)	3,458	2,968	2,386	2,311
Balance sheet (VND bn)				
Total assets	14,903	17,524	19,016	21,152
Shareholders' equity	6,398	7,413	8,085	9,028
ROE (%)	23.9%	16.6%	12.3%	10.7%[1]
Valuation (VND bn)				
PER (x)	8.5	4.5	8.8	8.9
P/B (x)	1.9	0.7	1.1	1.3
Dividend yield (%)	7.8%	10.5%	9.5%	7.1%

[1] Return on Equity (ROE) is calculated based on NET profit (H1 13) divided by shareholders' equity as at December 31, 2013

Century 21

Century 21 was acquired in 2006 because of its prime location, close to a new traffic corridor to the CBD. The Thu Thiem tunnel which was part of the Ho Chi Minh City East-West Highway, running from the South West to the North East of the city, opened in November 2011. The opening of the tunnel has made the site much more accessible to the city's CBD. The project site is 100% compensated and cleared. In Q4 2011, the Century 21 Nam Rach Chiec project received a 1:500 Master planning parameters approval and Investment License. The revised master plan which converted a portion of condominium land to more commercial land was approved in principle by the Ho Chi Minh City's People's Committee in December 2012. The detailed 1:500 Master plan is still awaiting approval pending outstanding items including the demerger of the holding companies. VNL and VOF are working closely with the authorities to finalise the restructuring and licensing of this investment.

The strategy is to divest the commercial portion and find co-investors to develop the residential component. On-site work will not commence until a co-investment partner is secured or market conditions improve. The surrounding District 2 area has seen improvements to infrastructure, which have created interest among domestic and foreign investors. Negotiations are ongoing with an international school operator to lease completed school facilities as well as with Japanese and Korean retail investors looking at development of the commercial site.

Project summary

Sector	Residential (25ha) and retail (5ha)
Area	30ha; approved GFA 822,781 sqm
Location	District 2, Ho Chi Minh City
History	Acquired in June 2006
	Site cleared and compensated in June 2008
	Revised Investment licence application submitted December 2010
	Detailed master plan still pending authority approval
Investment rationale	A 30ha site is located along new infrastructure corridor in a new desirable suburban area

Hau Giang Pharmaceuticals (DHG)
Hau Giang Pharmaceutical is one of the leading domestic pharmaceutical manufacturers in Vietnam. Antibiotics remain DHG's core product, accounting for more than 40 percent of total revenue in FY 2012. The company's total production is expected to double to nine billion units when its new factory begins operations in Q1 2014 after a trial run in the fourth quarter of 2013.

DHG reported consolidated 2Q 2013 earnings of VND126 billion, a decline of 7 percent year-on-year, meeting 55 percent of its annual target. The company's SG&A expenses increased from a year ago on advertisement and promotional campaigns carried out to boost sales and expenditures earmarked for its technology fund. Revenue for the company grew 13 percent to VND779 billion for the quarter, driven by trading activity. During the first half of the year, DHG earned VND242 billion in profit after tax, a decline of 7 percent year-on-year on VND1,550 billion in revenue. Given that the company's old factory has been running beyond full capacity for the past two years, management expects DHG's new factory to double the production capacity and increase sales volume by nearly 20 percent per annum over the next five years.

DHG closed at VND87,000 per share as at 30 June 2013, at a P/E ratio of 12.2x. As at 30 June 2013, VOF held a 7.2 percent stake in the DHG valued at USD19.4 million.

Financial highlights

Profit and loss (VND bn)	FY10A	FY11A	FY12A	H1 13
Revenue	2,035	2,491	2,931	1,550
Net income	381	416	486	242
Net margin	18.7%	16.9%	16.6%	15.6%
EPS (adjusted)	5,942	6,401	7,433	3,701
Balance sheet (VND bn)				
Total assets	1,820	1,996	2,377	2,593
Shareholders' equity	1,280	1,382	1,688	1,732
ROE (%)	29.8%	30.4%	28.8%	14.0%[1]
Valuation (VND bn)				
PER (x)	8.4	8.8	9.8	12.2
P/B (x)	2.5	2.6	2.8	3.3
Dividend yield (%)	2.9%	3.6%	3.9%	2.9%

[1] Return on Equity (ROE) is calculated based on NET profit (H1 13) divided by shareholders' equity as at December 31, 2013

VinaLand Limited (VNL)

VNL is a real estate investment fund quoted on the AIM and is also managed by VCIM. VOF has previously invested in a 25:75 ratio with VNL on real estate projects such as top holdings Dai Phuoc Lotus and Century 21. However, when VNL began trading at a significant discount, the VOF Board initiated share purchases of VNL, to provide VOF with greater liquidity than investing directly in real estate projects. VNL has one of the largest portfolios of real estate assets among foreign investment funds or developers, acquired between 2006 and 2009. The fund is now in a divestment phase that will see realisation of these assets, via sale of homes to end users, co-investment and divestment of projects.

As at 30 June 2013, VOF held a stake in VNL valued at USD16.6 million.

Project summary

AIM inception	22 March 2006
NAV (30 June 2013)	USD 446.8 million
Acquisition phase	VNL had acquired 46 investments at its peak, diversified by geography and real estate sector
Development and divestment phase	VNL has fully divested 12 projects, achieved one partial exit since inception and continued its programme of residential unit sales
Total Assets	32
Leverage (Bank Debt)	Debt remains low, with only 11.6 percent of NAV on a consolidated basis
	The Company has no debt at the fund level

PetroVietnam Fertilizer and Chemicals (DPM)

PetroVietnam Fertilizer and Chemicals (DPM) is a leading fertilizer producer in Vietnam, with an estimated 40 percent market share in urea fertilizer and a production capacity of 800,000 tons per annum. Its parent company, PetroVietnam, owns a 61.75 percent stake in DPM.

DPM profit declined by 17 percent to VND1.6 trillion in H1 2013 due to a year-on-year reduction in the price of urea fertiliser. Vietnam's domestic market for urea has become oversupplied with the commencement of two new urea fertiliser producing plants that recently came online (Camau and Ninh Binh). DPM plans to expand its sales market internationally to countries such as Cambodia and Myanmar.

DPM share price closed 30 June 2013 at VND40,000, trading at a trailing P/E of 5.7 and P/B of 1.6x. As of 30 June 2013, VOF held a stake in DPM valued at USD15.5 million.

Financial highlights

Profit and loss (VND bn)	**FY10A**	**FY11A**	**FY12A**	**H1 13**
Revenue	6,619	9,226	13,321	6,100
Net income	1,703	3,104	3,016	1,593
Net margin	25.7%	33.6%	22.6%	26.0%
EPS (adjusted)	4,497	8,220	7,990	4,201
Balance sheet (VND bn)				
Total assets	7,418	9,295	10,580	11,362
Shareholders' equity	6,194	8,227	8,960	9,670
ROE (%)	27.5%	37.7%	33.7%	16.4%[1]
Valuation (VND bn)				
PER (x)	8.5	2.9	4.5	5.7
P/B (x)	2.3	1.1	1.5	1.6
Dividend yield (%)	5.3%	14.7%	13.1%	–

[1] Return on Equity (ROE) is calculated based on NET profit (H1 13) divided by shareholders' equity as at December 31, 2013

VINACAPITAL MANAGEMENT TEAM

Don Lam
Chief Executive Officer, VinaCapital

Don Lam co-founded VinaCapital in 2003. Don has nearly two decades of experience in Vietnam, working previously at PricewaterhouseCoopers, Deutsche Bank, and Coopers & Lybrand. Don is one of Vietnam's most internationally recognised business leaders, having brought over USD1.5 billion in foreign indirect investment into the country since 2003. Don is also the founder and Chairman of VinaCapital Foundation, a non-profit aimed at improving access to quality health care for poor children. Don is an active member and regular speaker at the World Economic Forum and other leading international conference and events. He has a degree in Commerce and Political Science from the University of Toronto, and is a member of the Institute of Chartered Accountants of Canada. He is a Certified Public Accountant and holds a Securities Licence in Vietnam.

Brook Taylor
Chief Operating Officer

Brook Taylor has more than 20 years of management experience, including eight years as a senior partner with major accounting firms. Previously, Brook was deputy managing partner of Deloitte in Vietnam and head of the firm's audit practice. He was also managing partner of Arthur Andersen Vietnam and a senior audit partner at KPMG. Brook has lived and worked in Vietnam since 1997. Brook's expertise spans a broad range of management and finance areas including accounting, business planning, audit, corporate finance, taxation, and IT systems risk management. He has a B.A. in Commerce and Administration from Victoria University of Wellington, New Zealand, and is a member of the New Zealand Institute of Chartered Accountants.

Andy Ho
Managing Director and Chief Investment Officer

Andy Ho joined VinaCapital in early 2007 to oversee the capital markets, private equity, fixed income and venture capital investment teams. Previously, Andy directed Prudential Vietnam's fund management company. In all, Andy has led over USD1 billion in investments across all market sectors in Vietnam. He has also held management positions at Dell Ventures (the investment arm of Dell Computer Corporation) and Ernst & Young. He holds an MBA from the Massachusetts Institute of Technology and is a Certified Public Accountant in the United States.

Dang Pham Minh Loan
Deputy Managing Director

Loan Dang joined VinaCapital in August 2005 and is responsible for VOF's private equity and capital market investments. Loan has led several private equity and private placement deals for VOF, and led several successful exits in Masan, Vinacafe, Hoan My Hospitals and Prime Group. She also holds Board positions at several VOF investee companies, helping them with strategic direction. Loan has previous experience at KPMG Vietnam and Unilever Vietnam. She has an MBA from the University of Hawaii and holds an FCCA (UK) fellow membership and a BA in Finance and Accounting from the University of Economics, Ho Chi Minh City.

Steven Bates
Chairman

Steven Bates was appointed to the Board in February 2013 and to the Chairmanship on 1 May 2013. He is Chairman of Baring Emerging Europe and of F&C Capital & Income Investment Trust and a director of British Empire Securities and General Trust, RENN Universal Growth Investment Trust and of Magna Umbrella Fund. He is also a director of Zephyr Management UK, an investment management company specialising in emerging markets. He sits on or is advisor to various committees in the wealth management, pension fund and charity areas. He was head of global emerging markets at JP Morgan Asset Management until 2002.

Michael Gray
Director

Michael Gray was appointed to the VOF Board in 2009. He has over 30 years professional experience and 10 years in the shipping industry before training as a chartered accountant with Coopers & Lybrand in the UK. Mr Gray was a partner in PricewaterhouseCoopers Singapore and before that was the Territorial Senior Partner for PricewaterhouseCoopers Indochina (Vietnam, Cambodia and Laos).

He is a board member of several companies in Singapore, including Avitech Electronics Ltd, GSH Corporation Ltd, Ascendas Property Fund Trustee Pte Ltd and Raffles Marina Holdings Ltd.

Apart from being a Fellow of the Institute of Chartered Accountants in England and Wales, Mr Gray has a Bachelor of Science Degree in Maritime Studies from Plymouth University, a Masters of Arts in South East Asian Studies from the National University of Singapore and Doctor of Business (Honorary) from the University of Newcastle in Australia. He is also a Fellow of the Chartered Institute of Logistics and Transport, a Fellow of the Institute of Singapore Chartered Accountants and a Fellow of the Singapore Institute of Directors.

SECTION 3

BOARD OF DIRECTORS

Martin Glynn
Director

Martin Glynn was appointed to the VOF Board in 2008. He has 30 years of experience in the financial services industry. He worked first in the export finance industry and then for HSBC in Canada and worked his way up to President and CEO of HSBC Bank Canada. From 2003 to 2006 he served as President and CEO of HSBC Bank USA, N.A. Mr Glynn has extensive Board experience within the HSBC group of companies and externally, taking on leadership roles in the profit and not-for-profit sectors. His other public company boards are currently Sun Life Financial Inc. and Husky Energy Inc. He has two degrees from Canadian Universities.

Martin Adams
Director

Martin Adams was appointed to the VOF Board in February 2013. He has over 30 years in investment and banking experience in emerging markets and has forged a career serving as an independent director of listed and unlisted funds. He set up the first fund management company to specialise in Vietnam, launched the first listed closed end fund in Vietnam and, over the past 20 years, has been involved with the management or as a director of eight funds investing in the country. Before he founded Vietnam Fund Management Company in 1991, he worked for 10 years with the Lloyds Bank group in London, Amsterdam, Lisbon and Hong Kong. He is currently chairman of Eastern European Property Fund, Kubera Cross Border Fund, Trading Emissions, Trinity Capital and Vietnam Resources Investments and is a non-executive director of a number of other funds. Mr Adams has an MA (Hons.) in Economic Science.

Don Lam
Director

Don Lam co-founded VinaCapital in 2003. Don has nearly two decades of experience in Vietnam, working previously at PricewaterhouseCoopers, Deutsche Bank, and Coopers & Lybrand. Don is one of Vietnam's most internationally recognised business leaders, having brought over USD1.5 billion in foreign indirect investment into the country since 2003. Don is also the founder and Chairman of the VinaCapital Foundation, a non-profit aimed at improving access to quality health care for poor children. Don is an active member and regular speaker at the World Economic Forum and other leading international conference and events. He has a degree in Commerce and Political Science from the University of Toronto, and is a member of the Institute of Chartered Accountants of Canada. He is a Certified Public Accountant and holds a Securities Licence in Vietnam.

REPORT OF THE DIRECTORS

The Board of Directors (“the Board”) submits its report together with the consolidated financial statements of VOF and its subsidiaries (together “the Group”) for the year from 1 July 2012 to 30 June 2013 (“the year”).

VOF is incorporated in the Cayman Islands as an exempted company with limited liability. The registered office of the Company is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The Company’s shares are traded on the AIM market of the London Stock Exchange. Throughout the year ended 30 June 2013 and to the date of this report, the Company complied with the AIM rules for companies.

The Company’s investments are managed by VCIM.

Principal activities

VOF’s principal activity is to undertake various forms of investment primarily in Vietnam but also in Cambodia, Laos and Southern China. The Company mainly invests in listed and unlisted companies, debt instruments, private equity and real estate assets and other opportunities with the objective of achieving medium to long-term capital appreciation and investment income. The principal activities of the subsidiaries are predominantly investment holding, having investments in property and hospitality management.

Life of the Company

VOF does not have a fixed life but the Board considers it desirable that Shareholders should have the opportunity to review the future of the Company at appropriate intervals. Accordingly, the Board intends that a special resolution will be proposed every fifth year that the Company ceases to continue as presently constituted. If the resolution is not passed, the Company will continue to operate. If the resolution is passed, the Directors will be required to formulate proposals to be put to Shareholders to reorganise, unitise or reconstruct the Company or for the Company to be wound up. The Board tabled such a special resolution in 2008 and in July 2013 and on both occasions it was not passed, allowing the Company to continue as presently constituted. The next special resolution on the life of the Company will be held in 2018.

Investment Policy and Valuation Policy

VOF investment objectives and investing policy are set out on pages 114 to 116. The valuation policy can be found on page 116.

Co-investments

The Investment Manager may from time to time manage other funds which have a similar or overlapping investment objective and policy to that of the Company. Circumstances may arise where investment opportunities will be available to the Company and which are also suitable for one or more of the other funds managed by the Investment Manager. Where a conflict arises in respect of an investment opportunity, the Investment Manager will allocate the opportunity on a fair basis. In such event, deals sourced by the investment teams serving the Company will normally be made on a pro rated basis between the Company and the other funds served by the investment team.

Performance
The Chairman's Statement on pages 2 to 7. and the Investment Manager's Report on pages 8 to 28. give details of VOF's activities, performance and position during the year.

The key performance indicators ("KPIs") used to measure the progress of VOF during the year are as follows:

- NAV
- The movement in the Company's share price
- Discount of the share price in relation to the NAV

Information relating to the KPIs can be found in the Financial Highlights on page 1.

Principal Risks and Uncertainties
The Board considers the following as the principal risks facing the Company. Information regarding the Company's risk management and internal control procedures is given in the following sections and in the Corporate Governance Statement and financial statements within this Annual Report.

The Company is exposed to a variety of risk factors. The Company's overall risk management programme covers the broad range of risks to which the Company is exposed. Risk management is coordinated by the Investment Manager who seeks to manage risks to an acceptable level through the implementation and operation of effective controls and/or the transfer of risk to other parties. The Board receives and reviews regular reports on all identified risks.

General market risk
The Company invests in listed and unlisted equity securities and is exposed to the market price risk of these securities.

The Company's listed equity securities are subject to price risk resulting from the potential illiquidity of the Group's total holding relative to average daily trading volume of certain listed securities and the enforcement of strict trading bands which prevent share prices from moving more than a predetermined percentage each day.

The Group's unlisted equity securities are susceptible to price risk arising from uncertainties about the future values of the relevant investment. These values may also be affected by the absence of exit opportunities which will depend, inter alia, on the general perceived attractions of investment in Vietnam.

To address these risks the Investment Manager makes investments that are consistent with the Company's objectives and monitors daily trading volumes for positions taken. Due to the size of certain holdings relative to a listed company's daily trading volume or to the total number of shares in issue, the Investment Manager may conclude that a certain level of price risk resulting from the illiquidity of positions is unacceptable. Under such circumstance the Investment Manager normally expects to realise the investment by selling part or all of the holding. The Board reviews the investment strategy at each meeting. It accepts that shareholders will be exposed to general market risk and in some cases to illiquidity risk, given both the strategy and the scale of the Company relative to local markets.

Real estate risk
The Company is subject to a broad range of real estate specific risks. These include, among other things: (i) the risks of owning properties jointly with third-party partners where sole decision-making authority may be restricted; (ii) general real estate investment considerations, such as the effect of local economic and other conditions on property values and ongoing cash flows; (iii) the illiquidity of real estate investments; (iv) potential environmental liabilities and the risk of uninsured losses; (v) the availability or otherwise of financing for real estate development; and (vi) legal issues which may arise as a result of challenges to the forms of ownership common in the local market.

Nearly two thirds of the Company's property holdings are co-invested with VNL, another fund managed by the Investment Manager. In most cases VNL holds a controlling stake in the joint venture company and therefore exerts control over the investment. As both funds are managed by the same Investment Manager, each fund's investment objectives for each property are generally the same. However, given VNL's recently established investment objective of disposing of a portion of its portfolio, the Company could potentially be put in a position where sales may be triggered earlier than ideally desired. The Board reviews all such decisions and under normal circumstances is not prepared to assume the development risk that would result from continuing to hold an investment VNL was selling. The Company also holds a stake in VNL itself and supports the board of that company in its objective of disposing of a portion of its assets.

Valuation risk
The fair value of listed equities and bonds is based on quoted market prices at each balance sheet date and so, subject to liquidity risks, they are considered a reliable estimate of the value of such investments.

The fair value of unlisted equities (private equities) and property is determined by using industry standard valuation techniques. These valuation techniques maximise the use of observable market data where available and rely as little as possible on entity specific estimates.

Given the inherent limitations of estimating the values of unlisted equities and real estate holdings, it is likely that the actual proceeds from the sale of such assets will be different from their estimated fair value at a given point in time. The Company seeks to ensure that such investments are appropriately valued by obtaining annual valuations from suitably qualified independent valuation firms and ensuring that the Audit and Valuation Committee carefully reviews such valuation reports.

With specific reference to real estate and due to the highly subjective nature of valuing property in Vietnam, two independent valuation firms are used to value each property on the same day. The Audit and Valuation Committee may choose to accept one of these valuations or may apply its own judgement in making further adjustment to arrive at a valuation that it believes best reflects the current market value of the asset. Property valuations are also updated each six months, given the likelihood of significant changes in value over the course of each year.

Economic risks
Vietnam has experienced substantial and volatile rates of inflation in recent years. Also, from time to time in the recent past there have been periods when a shortage of foreign currency in the market has delayed the remittance of funds outside the country. The Investment Manager seeks to manage such economic risks through the use and analysis of information provided by the Investment Manager's in-house economist and external sources, and by modifying the Company's investment strategies in response to such information.

Interest rate risk
The Company seeks to achieve a market rate of return on cash funds held for investment purposes. As a result the Group is exposed to interest rate risk related to these holdings, as well as on bond investments and on loans provided to third parties (usually in connection with real estate investments. Cash holdings, bonds and loans are typically subject to a fixed interest rate, although as these are often short-term in nature, re-pricing can occur frequently.

The Company has no significant debt and therefore it is not exposed to significant cash flow risks associated with fluctuating interest rates on loans it might have received. .

The Investment Manager evaluates the Company's exposure to interest rates each month with the objective of ensuring that the rates of interest being earned and paid are appropriate for the risks the Company is exposed to through cash holdings, bonds and loans. These exposures are reviewed at each Board meeting.

Currency risk
The Company's exposure to risk resulting from changes in foreign currency exchange rates is considered moderate by the Board despite domestic transactions being settled in VND. The value of the VND has historically been closely linked to that of the USD, the Group's reporting currency and might be expected to decline over time by an amount equivalent to the inflation differential between VND and USD. The Group has not entered into any hedging mechanism as the estimated costs of available instruments outweigh their benefits.

On an ongoing basis the Investment Manager analyses the current economic environment and expected future conditions and decides the optimal currency mix considering the risk of currency fluctuation, interest rate return differentials and transaction costs. The Investment Manager updates the Board regularly and reports on any significant changes or further actions to be taken.

Political and legal risk
As with most emerging countries, investing in Vietnam involves certain considerations not usually associated with investments in developed countries. These include political and legal risks which may restrict or impact investment opportunities. As a one-party state, the political environment in Vietnam is relatively stable. However, changes within the government, major policy shifts or lack of consensus between the government and powerful economic groups could lead to political instability which would have an adverse effect on investors.

The legal and regulatory risks are higher in Vietnam than in many developed jurisdictions because there is still a considerable degree of legislative uncertainty, inconsistency in interpreting the laws and regulations, and unpredictability in matters of dispute resolution and the enforcement of arbitration awards. The Group seeks to manage these legal risks and others through the use of the Investment Manager's in-house legal team and external legal advisors, when appropriate.

Tax risks
The Company seeks to comply with the relevant tax jurisdictions in which it conducts its business. As an exempt company incorporated in the Cayman Islands, the Company is not subject to income, state, corporation, capital gains or other taxes in the Cayman Islands. Also, a number of the Company's subsidiaries are domiciled in the British Virgin Islands (BVI) and have a similar tax exempt status. Those subsidiaries and associate companies incorporated in Singapore and Vietnam are subject to the respective tax laws of those countries. These entities are the vehicles through which a number of the underlying investments are held.

The Investment Manager manages tax risks by obtaining appropriate professional advice before entering into binding material commitments.

Manager risk
The Company has a high level of dependence on the Investment Manager which is tasked, under the Investment Management Agreement, with carrying out most of the Company's day to day activities. For this reason the Board actively reviews the Investment Manager's key policies with respect to the hiring and maintaining of suitable resources to manage the Company. This risk is mitigated to some degree by the fact that a large team is dedicated to the management of the Company, but it is inevitable that the Company is dependent on the services of certain key employees of the Investment Manager.

Ownership risk
Whenever possible the Investment Manager seeks to structure transactions through recognised and transparent legal investment structures. However, from time to time in the past, there has been a need to structure investments using trust arrangements whereby the legal title to certain investments may be held by a third party. These arrangements expose the Group to the loss of the investment if the trustee was to renege on its obligations and no legitimate legal recourse was to present itself.

Over the last three years the Investment Manager has made a concerted effort to unwind such arrangements so that the total value of investments held under such structures is no longer material to the portfolio. Similar new arrangements will only be entered into if absolutely necessary and would be subject to appropriate operational controls and legal documentation.

Discount risk
The shares of the Company trade at a price which may differ significantly from its NAV. In recent years, the shares have traded at a large discount to that NAV and the Board has sought to limit the discount by operating a share buyback programme. There is no guarantee that this programme will be successful, although its operation at prices lower than NAV will serve to enhance that NAV. Shareholders are therefore exposed to this risk, albeit in the knowledge that the Board is attempting to mitigate it.

Distribution of Income

It is intended that the Company's income will consist wholly or mainly of investment income. The Directors currently intend to reinvest a large part of income to take advantage of opportunities meeting the Company's investment and return objectives, and where suitable opportunities are not available to distribute substantially all of the Company's income and capital gains to holders of the ordinary shares. The distribution of dividends may be made in the form of a tender offer to shareholders at NAV for tax efficiency for certain shareholders.

Results and dividend

The results of the Group for the year and the state of its affairs as at that date are set out in the consolidated financial statements on pages 52 to 110.

The Board does not recommend the payment of a dividend for the year (year ended 30 June 2012: Nil).

Discount Management

The Board has been mindful over the last several years of the wide discount to NAV per share at which the shares have been trading. In October 2011, the Board sought and obtained shareholder approval to implement a share buyback programme. By 30 June 2013, a total of 63,233,988 million shares had been bought back, a return of capital to shareholders of approximately USD113.6 million, which in turn has had a number of positive effects for shareholders:

- The discount to NAV at which the shares trade has narrowed considerably from a high of approximately 40 percent at the commencement of the buyback programme in November 2011 to 26 percent as at 30 June 2013;
- The NAV per share has been enhanced by approximately USD 0.20 per share from these buybacks, representing 7.3 percent of the Company's NAV per share as at 30 June 2013; and
- The volatility of the share price has fallen to 4.3 percent from 18.3 percent since November 2011 (source: Bloomberg).

As at 11 October 2013, being the latest practicable date prior to the publication of this report, 75.3 million shares had been bought back. The total amount paid for these shares was USD 139.6 million.

The Board remains determined to continue to operate the share buyback programme in an effort to ensure that the share price more closely reflects the underlying NAV per share and that NAV per share continues to be enhanced. While no public announcement has been made in terms of the target percentage discount or the volume of funds to be allocated to buybacks, the Board considers the current discount to be too high.

The Board will continue to retain responsibility for setting the parameters for the discount management policy, for overseeing the management of the buyback programme and for ensuring that its policy is implemented. The Board intends to continue to seek to narrow the discount through the continued use of share buybacks and will consider using other means of addressing the discount level should it persist at the current wide level. The Board's objective is to achieve a narrowing of the discount in a manner that is sustainable over the longer term. The Board and the Investment Manager intend to consult regularly with Shareholders with a view to assessing and improving the effectiveness of the buyback programme.

Share Capital and Treasury Shares
At the year end, the Company had 324,610,259 ordinary shares in issue, of which 63,233,988 were held in treasury. As at 11 October 2013, there were 324,610,259 shares in issue of which 75,289,161 were held in treasury and 249,321,098 shares were in circulation.

Investment Manager
The Investment Manager is responsible for the day-to-day management of the Company's investment portfolio including the acquisition, monitoring and disposal of assets in line with the strategy and framework set out by the Board.

Following the shareholders' rejection of the Company's discontinuation at the EGM held on 22 July 2013, the Company entered into an Amended and Restated Investment Management Agreement ("the Agreement") which the Board believes to be best practice for investment management agreements. The Agreement reduced the base investment management and incentive fees by 25 percent and restructured the incentive fee to better align the interests of the Investment Manager with those of the shareholders. The notice period for termination of the Agreement remains as six months.

Investment Manager's Fees
The Investment Manager is entitled to receive from the Company a base fee ("the Management Fee") and, where applicable, a performance-related fee ("the Incentive Fee").

Under the Agreement, the Management Fee is reduced from 2 percent per annum of the NAV of the Group to 1.5 percent per annum of the NAV, payable monthly in arrears.

In respect of the Incentive Fee, under the previous agreement, the Investment Manager was eligible for a payment equal to 20 percent of the performance subject to an 8 percent hurdle and full catch up. Under the new Agreement, the level of Incentive Fee has reduced to 15 percent per annum. The hurdle rate remains the same.

For the purpose of calculating the Incentive Fee, the net assets have been segregated into a Direct Real Estate Portfolio and a Capital Markets Portfolio. A separate Incentive Fee is calculated for each portfolio and operates independently so that for any financial year it will be possible for an Incentive Fee to become payable in relation to one, both or neither portfolio, depending on the performance of each portfolio. The amount of Incentive Fees paid in any single financial year is limited to 1.5 percent of the applicable closing NAV of the portfolio from which the Incentive Fee was earned.

In return for the overall reduction in the quantum of the Incentive Fee that can be paid, the Board agreed to re-set the high water mark above which the Incentive Fee will be payable from USD4.09 per share to the higher of (i) 30 June 2013 NAV per share plus 5 percent (being USD3.023) or (ii) USD3.037. The rationale for these values is that, assuming both portfolios increase in value at the same rate, , the NAV per share would need to increase in the first year to at least USD3.28 (USD3.037 increased by the 8 percent hurdle rate), the last NAV per share that a performance fee was paid, before any future incentive fee can be earned.

Further details are provided in the circular published on 24 June 2013.

Continuing Appointment of the Investment Manager

The Board keeps the performance of the Investment Manager under review. It is the opinion of the Directors that the continuing appointment of VinaCapital Investment Management Limited is in the best interests of shareholders as a whole. The Investment Manager has one of the largest and best resourced investment teams in the Vietnamese markets, and has the capacity to make and monitor investments across a range of different asset classes and sectors. The team is led by Andy Ho and comprises his deputy Dang Pham Minh Loan and a further 13 investment analysts and traders. In addition, the Company has access to the investment team responsible for real estate investment, a significant part of which is made by the Company in joint ventures with VNL, another closed ended Company managed by VCIM. The investment returns earned by the Company over the current year and over the longer term have been good and bear witness to the capability of the team. The investment team is supported by a full infrastructure to allow it sufficient time for investment tasks. VinaCapital also operates a risk management and control environment with the goal of controlling the risks of investing in a less developed market.

Board of Directors

The Directors who served during the year and up to the date of this report are as follows:

	Position	Date of appointment/(resignation)
Steven Bates	Chairman	5 February 2013
William Vanderfelt	Chairman	27 October 2004 / (1 May 2013)
Martin Adams	Director	5 February 2013
Martin Glynn	Director	18 March 2008
Michael Gray	Director	24 June 2009
Don Lam	Director	18 March 2008

Mr Bates replaced Mr Vanderfelt as Chairman on 1 May 2013.

The biographies of the Directors in office as at the date of this report are shown on pages 29 and 30.

As disclosed on page 44, the Board has agreed that non-independent Directors will offer themselves for re-election annually at the AGM. As the only non-independent Director, Mr Lam, who is not independent by virtue of his position as Chief Executive Officer of VinaCapital, will seek re-election at the AGM to be held on 28 November 2013. The Board considers that Mr Lam's re-election is in the best interests of shareholders because his involvement ensures that the Company receives attention from the Investment Manager at the highest level and that Mr Lam's expertise and experience bring an extra dimension to the Board's deliberations. Further, his presence helps to align the interests of the Investment Manager with those of the Board and the shareholders as a whole.

The UK Corporate Governance Code provides that all directors of FTSE 350 companies should be subject to annual election by shareholders. Although VOF, as an AIM-listed company, is not required to comply with this provision, the Board is committed to achieving the highest standards of corporate governance and, as such, has decided to adopt best practice in this area. The Board is also mindful that the shareholders have not previously been invited to vote on the election of any of the Directors. Accordingly, Messrs Bates, Adams, Glynn and Gray will each retire and stand for re-election at the Annual General Meeting to be held on 28 November 2013.

Directors' interests in the Company
As at 30 June 2013, the interests of the Directors in the shares, underlying shares and debentures of the Company are as follows:

	Direct holding	Indirect holding
Steven Bates	–	–
Martin Adams	–	–
Martin Glynn	60,000	–
Michael Gray	100,000	–
Don Lam	1,005,859	235,342

There have been no changes to any holdings between 30 June 2013 and the date of this report.

Substantial Shareholdings
As at 30 June 2013 and 25 October 2013, the Directors are aware of the following interests in the Company's voting rights:

	30 June 2013		As at 25 October 2013	
	Number of ordinary shares	% of voting rights	Number of ordinary shares	% of voting rights
SMBC Nikko Bank	17,995,000	6.8	17,185,000	6.9
Credit Suisse / PB Omnibus Client AC	16,438,534	6.2	16,438,534	6.6
Landesbank Berlin	9,300,000	3.5	8,800,000	3.5
State Street Bank Trust	8,328,349	3.1	8,259,440	3.3

Annual General Meeting

As one of the enhancements agreed by the Board, following its review in 2012 of the Company's corporate governance arrangements, an AGM will be held each year. The first AGM will be held at 2 pm on 28 November 2013, at Constaffelsaal at Haus zum Rueden, Limmatquai 42, 8001 Zurich. The Notice of Meeting is set out on pages 111 to 113. The following notes provide an explanation of the resolutions being proposed by the Board:

Resolution 1 – Report and Accounts

The Directors are proposing an ordinary resolution to adopt the Company's financial statements for the financial year ended 30 June 2013.

Resolutions 2 – 6 – Re-election of Directors

In the Company's recent circular to shareholders the Board undertook that each independent Director will offer himself for re-election on a rotating basis whereby each Director will seek re-election at least every three years. Having reviewed this undertaking in light of best practice set out in the UK Corporate Governance Code, the Board has decided that all of the Directors, regardless of their independence, will stand for re-election annually. Accordingly, Messrs Bates, Adams, Glynn and Gray will each retire and stand for re-election at the Annual General Meeting to be held on 28 November 2013.

In addition, any non-independent Director will offer himself for re-election annually. In line with this policy, Mr Don Lam, who is not independent by virtue of his position as the chief executive officer of VinaCapital, will be standing for re-election at the AGM.

Resolution 7 – re-appointment of auditor

The Board is proposing the re-appointment of PricewaterhouseCoopers ("PwC") as the Group's auditor for the 30 June 2014 financial year.

Resolution 8 – increase in aggregate cap on Directors' remuneration

The Board is proposing an ordinary resolution, pursuant to Article 125 of the Articles of Association to increase the aggregate annual cap on the total remuneration paid to the Directors from USD300,000 to USD500.000.

Resolution 9 – decrease in the threshold for the requisition of general meetings by shareholders

The Board is proposing a special resolution to amend Article 57 of the Articles of Association to reduce the threshold at which Shareholders can require that the Board convene an extraordinary general meeting from 25 percent to 10 percent of the Company's outstanding shares.

Resolution 10 – Directors' indemnities

The Board is proposing certain changes to the Company's Articles of association that are intended to better reflect the Company's responsibilities in respect to indemnifying Directors.

The Board considers that the resolutions to be put to the meeting are in the best interests of the shareholders as a whole. The Directors will be voting their shares in favour of the resolutions and unanimously recommend that the shareholders do so as well.

Auditor
The Group's Auditor is PwC. PwC was appointed in November 2011, following a tender process.

Corporate Governance
The Corporate Governance Statement on pages 42 to 48 forms part of the Report of the Directors.

Going Concern
The Directors have carefully reviewed the Company's current financial resources and the projected expenses for the next 12 months. On the basis of that review and as the majority of net assets are securities which are traded actively on the Vietnam Stock Exchange, the Directors are satisfied that the Company's resources are adequate for continuing in business for the foreseeable future and that it is appropriate to prepare the Group's financial statements on a going concern basis.

Subsequent events after the reporting date
Details of subsequent events after the reporting period are contained in Note 32 of the consolidated financial statements.

On behalf of the Board

Steven Bates
Chairman
VinaCapital Vietnam Opportunity Fund Ltd
25 October 2013

CORPORATE GOVERNANCE STATEMENT

The Board is committed to attain and maintain a high standard of corporate governance, with the ultimate aim being to protect shareholders' and other stakeholders' interests. In early 2012, the Board undertook a review of the Company's corporate governance structure in light of developments in international standards and practices since the Company was incorporated in 2003. The review resulted in a number of changes designed to enhance shareholders' rights, relating to annual general meetings, the re-election of Directors and the ability of shareholders to demand the convening of an extraordinary general meeting.

The Company admitted to trading on AIM and, as such, is not required to meet the same standards of corporate governance as applied by companies listed on the Main Market. Nevertheless, the Board has considered the principles and recommendations of the Association of Investment Companies' Code of Corporate Governance ("AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies ("AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code ("the UK Code"), as well as setting out additional principles and recommendations on issues that are of specific relevance to investment companies. The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Code), will provide better information to shareholders. The AIC Code can be found on the AIC website at www.theaic.co.uk/aic-code-of-corporate-governance.

The UK Code includes provisions relating to:

- The role of the chief executive;
- Executive directors' remuneration; and
- The need for an internal audit function.

For the reasons set out in the AIC Guide and in the pre-amble to the AIC Code, and as explained in the UK Code the Board considers these provisions are not relevant to the position of the Company, being an externally managed investment company. In particular, all of the Company's day-to-day management and administration functions are outsourced to third parties. The Company has therefore not reported further in respect of these provisions.

During the course of the year, the Board will continue to implement the improvements identified following its review of corporate governance in 2012, all of which are relevant to the Company's future compliance with the AIC Code:

- the introduction of a more formal Board evaluation process than existed hitherto and procedures for Directors' induction and ongoing training;
- adoption of a comprehensive schedule of matters reserved for the decision of the Board; and
- establishment of more effective channels of communication between the shareholders and the Board.

Board of Directors
The Board consists entirely of non-executive Directors.

As part of the Board's corporate governance review, an assessment was undertaken in 2012 by the Remuneration, Nomination and Management Evaluation Committee of the balance of skills, experience and knowledge within the Board. In order to ensure that the appropriate mix of experience continued to be available to the Company, a number of changes were made to the Board:

- Steven Bates was appointed as a Director and subsequently as Chairman;
- Martin Adams was appointed to the Board; and
- William Vanderfelt stood down after eight years as a Director and five years as Chairman

The Board meets at least four times a year and uses a structured agenda to ensure all key areas are reviewed, covering but not limited to the review of the Company's strategy, financial position and performance, the Investment Manager's operations and shareholder relations. During the year to 30 June 2013, the number of scheduled Board and Committee meetings attended by each Director was as follows:

	Board meetings	Audit Committee meetings	Valuation Committee meetings	RNMEC* meetings
Steven Bates	2(2)#	1(1)	2(2)	–
William Vanderfelt	3(3)#	3(3)	4(4)	1(1)#
Martin Adams	2(2)	1(1)	2(2)	–
Martin Glynn	4(4)	3(3)	5(5)#	1(1)
Michael Gray	4(4)	3(3)#	5(5)	1(1)
Don Lam	2(3)	–	–	–

* Remuneration, Nomination and Management Evaluation Committee
\# Chairman of Board

Figures in brackets indicate the number of meetings held in the year in respect of which the individual was eligible to attend as either a Board or Committee member.

Board responsibilities
The Board is responsible to shareholders for the determination and implementation of the Company's investment policy, and the direction and long-term performance of the Company and the entities it controls. The Board oversees the implementation of a high standard of corporate governance with respect to the Company's affairs, strategy, direction and the supervision of the Investment Manager, as stipulated in the Investment Management Agreement ('IMA'). The IMA documents the Investment Manager's responsibilities and authority to enter or exit investments, or enter into any commitments on behalf of the Company. Under the agreement, the Board ensures the Investment Manager follows the Board's strategic direction to achieve the investment objectives in the identification, acquisition, management and disposal of investments and the determination of any financing arrangements.

The Company's Directors have direct access to the Company's Nominated Adviser, lawyers, brokers and the Investment Manager's Legal Counsel and Head of Compliance.

Chairman and Senior Independent Director
On 1 May 2013, William Vanderfelt was replaced by Steven Bates as the Chairman of the Board. Mr Bates is considered by his fellow independent Board members to be independent, to have no conflicting relationships, and to have sufficient time to commit to the Company's affairs as necessary. Given the size and nature of the Board it is not considered appropriate at the present time to appoint a senior independent director, as recommended by the AIC Code.

Board independence and composition
In accordance with the AIC Code, the Board has reviewed the independent status of each individual Director and the Board as a whole.

A majority of the Board is independent of the Investment Manager. The Board is comprised of four independent Directors, including the Chairman, and one non-independent Director, Mr Lam. Mr Lam is the Chief Executive Officer of the Investment Manager, VCIM, and a Director of VinaCapital Group Limited. In accordance with the Board's published policy on the re-election of Directors, Mr Lam, as a non-independent Director, will in future seek annual re-election. In addition, the Board has reconsidered its undertaking as set out in the circular dated 24 June 2013, which stated that independent Directors would offer themselves for re-election on a rotating basis whereby each Director would seek re-election at least every three years. Instead, and notwithstanding the Company's AIM listing, the Board has decided to adopt best practice for FTSE 350 companies as set out in the UK Code and accordingly, all of the independent Directors will also seek re-election on an annual basis. These changes will commence at the AGM to be held on 28 November 2013.

The Board believes that each Director has appropriate qualifications, industry experience and expertise to guide the Company and that the Board as a whole has an appropriate balance of skills, experience, and knowledge. The Directors' biographies can be found on pages 29 and 30.

The selection of new Board members is initiated by recommendations from current Board members, shareholders, and/or referrals from international recruitment agencies. After a shortlist of potential members is created and reviewed by the RMNE Committee, a final candidate is nominated and presented to the Board for final consideration.

Re-election of Directors
All Directors will submit themselves for annual re-election therefore a policy on tenure is not deemed necessary.

Following recommendations from the Nominations Committee, the Board considers all Directors continue to be effective, committed to their roles and have sufficient time available to perform their duties. Accordingly, all Directors will seek election at the Company's forthcoming AGM. Below are brief descriptions of the experience and knowledge the independent Directors bring to the boardroom.

Steven Bates – was appointed to the Board in May 2013 bringing to the role his experience as a fund manager specialising in emerging markets and closed ended funds. Steven is an experienced and effective chairman, already demonstrating his commitment to the Company.

Mike Gray – has extensive experience in accounting and auditing in Vietnam and the region generally. A very effective chairman of the Audit and Valuation Committee, Mike continues to devote considerable time and effort to the role as well as participating fully in broader Board discussions.

Martin Glynn – with long experience at a senior level in international banking and strong understanding of the need for good governance, Martin brings a robust and questioning approach to the Board.

Martin Adams – an expert in closed ended funds with an excellent reputation as a champion of shareholder rights, Martin has a background as an Asian investment specialist, having managed funds in Vietnam since 1989.

The Directors' terms of engagement are set out in letters of appointment which are available for inspection at the company's registered office and at the AGM.

Board committees

During the year, there were three Board committees in operation: the Audit Committee, the Valuation Committee and the Remuneration, Nomination and Management Evaluation Committee. Each Committee was comprised solely of independent Directors. The chairmanship and membership of each Committee throughout the year, and the number of meetings held during the year, is shown in the table on page 43.

New Committee Structure

Subsequent to the year end, the Board agreed to adopt a new Committee structure to assist it in discharging its responsibilities and, by virtue of membership comprising only independent Directors, to ensure independent oversight of certain of the Company's activities. A summary of the duties of each of the Committees is provided below. The terms of reference are available on the Company's website: www.vinacapital.com/VOF.

Audit and Valuation Committee

In light of the relevance of the valuation process to the Company's accounting function and audit, the Board agreed in July 2013 to merge the Audit Committee and the Valuation Committee. The new Committee, which will meet at least twice a year, comprises all four independent Directors and is chaired by Mr Gray.

The Committee is responsible for monitoring the process of production and ensuring the integrity of the Company's accounts. The primary responsibilities of the Committee are: to oversee the relationship with the Auditor and make recommendations to the Board in relation to their re-appointment and to approve their remuneration and terms of engagement; to assess the Auditor's independence and objectivity and the effectiveness of the audit process; to review the effectiveness of the Company's internal control environment; to identify, assess, monitor and mitigate the risks associated with the Company's business; to monitor adherence to best practice in corporate governance; and to review the Company's whistleblowing arrangements and its procedures for detecting fraud and preventing bribery and corruption.

In discharging its responsibility to oversee the Auditor's independence, the Audit Committee considers whether any other engagements provided to the auditor will have an effect on, or perception of, compromising the Auditor's independence and objectivity. The performance of services outside of external audit must be specific and approved by the Audit Committee Chairman.

In respect of its remit over the valuation of investments, the Committee's primary goal is to ensure that the Company's investments are recorded at fair value. In doing so, the Committee reviews the reports of independent valuation specialists as well as reviewing the Investment Manager's valuation process. Each individual valuation is reviewed in detail and the recommendations of the independent valuers may be accepted or modified. The Committee approves the fair value of investments used to prepare the financial statements.

The Committee's Chairman presents the Committee's findings to the Board at each Board meeting.

Management Engagement Committee
The Management Engagement Committee comprises all four independent Directors and is chaired by Mr Adams. In accordance with the requirements of the AIC Code, the Committee will meet at least once a year to review the performance of the Investment Manager under the Investment Management Agreement and to consider any variation to the terms of the agreement. The Management Engagement Committee also reviews the performance of the nominated adviser, company secretary, corporate brokers, custodian, administrator and registrar and any matters concerning their respective agreements with the Company.

Remuneration Committee
The Remuneration Committee comprises all four independent Directors and is chaired by Mr Glynn. The Committee's responsibilities include: setting the policy for the remuneration of the Company's Chairman, the Audit and Valuation Committee Chairman and the Directors, and reviewing the ongoing appropriateness and relevance of the remuneration policy; determining the individual remuneration policy of each non-executive Director; agreeing the policy for authorising Directors' expenses claims; and the selection and appointment of any remuneration consultants who advise the Committee.

Nomination Committee
The Nomination Committee comprises all four independent Directors and is chaired by Mr Bates. The Committee's responsibilities include: reviewing the structure, size and composition of the Board and making recommendations to the Board in respect of any changes; succession planning for the Chairman and the Directors; making recommendations to the Board concerning the membership and chairmanship of the Board committees; identifying and nominating for the approval of the Board candidates to fill Board vacancies; and, before any new appointment is recommended; evaluating the balance of skills, knowledge, experience and diversity within the Board and preparing an appropriate role description.

The Management Engagement Committee, the Remuneration Committee and the Nomination Committee will each meet at least once a year.

Internal Controls and Risk Management
The Board is responsible for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives and maintaining sound risk management and internal control systems and for reviewing their effectiveness.

The risk management process and systems of internal control are designed to manage rather than eliminate the risk of failure to achieve the Company's objectives. It should be recognised that such systems can only provide reasonable, not absolute, assurance against material misstatement or loss.

Risk management system
The Investment Manager's Enterprise Risk Management ('ERM') framework provides a structured approach to managing risk across all of its managed funds by establishing a risk management culture through education and training, formalised risk management procedures, defining roles and responsibilities with respect to managing risk, and establishing reporting mechanisms to monitor the effectiveness of the framework. The Audit Committee works closely with the Investment Manager on the application and review of the ERM framework to the Company's risk environment.

Regular risk assessments and reviews of internal controls are undertaken by the Board in the context of the Company's investment policy. The review covers the strategic, investment, operational and financial risks facing the Company. In arriving at its judgement of the risks the Company faces, the Board has considered the Company's operations in the light of the following factors:

- the nature and extent of risks which it regards as acceptable for the Company to bear within its overall business objective;
- the threat of such risks becoming reality;
- the Company's ability to reduce the incidence and impact of risk on its performance; and
- the cost to the Company and benefits related to the Company of third parties operating the relevant controls.

Internal control assessment process
The key procedures which have been established to provide effective internal financial controls are as follows:

- investment management is provided by VCIM. The Board is responsible for the implementation of the overall investment policy and monitors the investment performance, actions and regulatory compliance of the Investment Manager at regular meetings;
- accounting is provided by VCIM;
- the provision of fund administration and custody of assets is undertaken by HSBC Institutional Trust Services Limited;
- the duties of investment management, accounting and custody of assets are appropriately segregated. The procedures of the individual parties are designed to complement one another;
- VCIM, on behalf of the Directors of the Company, clearly defines the duties and responsibilities of their agents and advisers in the terms of their contracts. The appointment of agents and advisers is conducted after consideration of the quality of the parties involved. The Management Engagement Committee (previously the Remuneration Committee) monitors their ongoing performance and contractual agreements;
- mandates for authorisation of investment transactions and expense payments are set by the Board and documented in the Investment Management Agreement; and
- the Board receives financial information produced by the Investment Manager on a regular basis. Board meetings are held at least once a quarter to review such information.
- Actions are taken to remedy any significant failings or weaknesses, if identified. No major control deficiencies were identified during the year or up to the date of this report.

Internal audit
The Company does not have its own internal audit function. All of the Company's management functions are delegated to independent third parties whose controls are reviewed by the Investment Manager and the Board. It is therefore felt that there is no requirement for the Company to have an internal audit function separate from that retained by the Investment Manager.

The Investment Manager appointed KPMG Vietnam as its internal auditor for the fiscal year. The internal audit work was performed based on an internal audit plan reviewed by the Company's Audit Committee. The internal auditors have unrestricted access to the business and the Company's Audit and Valuation Committee. They performed audits of the control environment, procedures, and internal controls in respect to the audit areas selected for review. The internal auditor presents its findings to the Audit and Valuation Committee. During the year, no serious control breaches were reported.

Code of Conduct and Compliance
All employees of the Investment Manager must adhere to the Code of Conduct set out in the Investment Manager's Compliance manual. The Investment Manager has adopted a Code of Conduct based on the International Organisation of Securities Commissions ("IOSCO") International Code of Business Principles 1990, which serves as a model reference for regulators in Vietnam. The manual also incorporates the necessary requirements of any applicable anti-bribery and corruption regulations.

All staff are required to sign an annual compliance attestation confirming compliance with the Code of Conduct and Compliance manual, including their commitment to the fraud and whistleblower policies and procedures. Non-compliance will result in disciplinary action.

Shareholder relations
The Board retains oversight of this process by monitoring the investor relations activities of the Investment Manager and the shareholder profile. Dialogue with shareholders is given a high priority by the Directors, who are keen to improve channels of communication and encourage shareholders to engage directly, the first step being the Board's commitment to hold Annual General Meetings. Shareholders are encouraged to attend and vote at the Annual General Meeting to be held on 28 November 2013 and any shareholder wishing to lodge questions in advance of the meeting is invited to do so by writing to ir@vinacapital.com.

Voting Policy
The exercise of the voting rights attached to the Company's portfolio has been delegated to the Manager who as a policy votes at all meetings of investee companies.

DIRECTORS' REMUNERATION REPORT

Policy on Directors' Fees

The Board's policy is that the remuneration of the independent non-executive Directors should reflect the experience and time commitment of the Board as a whole, and is determined with reference to comparable organisations and available market information each year.

Independent Directors' Fees

The fees for the independent Directors are determined within the limit set out in the Company's Articles of Association, which provide that the aggregate total remuneration paid to independent Directors shall not exceed USD300,000 (or such higher amount as may be approved by the Company in a general meeting) in respect of any 12-month period.

The Board has determined that, in order to reflect the increased time commitment and workload of the Directors, with effect from 1 July 2013 the fees shall be increased to USD90,000 for the Chairman and USD75,000 for the independent Directors, with USD5,000 for membership of the Audit and Valuation Committee and USD15,000 for chairmanship of the same. As the aggregate amount of the fees will exceed the limit set out in the Articles of Association, a resolution to increase the cap will be put to the shareholders at the AGM.

Under a previous arrangement, any amount paid to the directors in excess of USD60,000 had to be deducted from the management fee paid to the Investment Manager. The Board did not consider this arrangement to be acceptable and has decided that, with effect from 5 February 2013 (being the date upon which Mr Adams and Mr Bates were appointed to the Board) the amounts due in fees to independent Directors in respect of their appointments will be paid entirely by the Company.

Directors' Emoluments for the Year

The Directors who served during the year received the following emoluments in the form of fees.

	Year to 30 June 2013 USD	Year to 30 June 2012 USD
Steven Bates (appointed 5 February 2013)	27,500	–
William Vanderfelt (resigned 1 May 2013)	75,000	75,000
Martin Adams (appointed 5 February 2013)	18,333	–
Michael Gray	60,000	60,000
Martin Glynn	60,000	60,000
Don Lam	–	–
	240,833	195,000

Mr Lam does not receive emoluments from the Company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Board of Directors' responsibility in respect of the consolidated financial statements
When preparing the consolidated financial statements, the Board of Directors is required to:

i. adopt appropriate accounting policies which are supported by reasonable and prudent judgements and estimates and then apply them consistently;

ii. comply with the disclosure requirements of International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") or, if there have been any departures in the interest of fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the consolidated financial statements;

iii. maintain adequate accounting records and an effective system of internal control;

iv. prepare the consolidated financial statements on a going concern basis unless it is inappropriate to assume that the Company will continue its operations in the foreseeable future; and

v. control and direct effectively the Group in all material decisions affecting its operations and performance and ascertain that such decisions and/or instructions have been properly reflected in the consolidated financial statements.

The Board of Directors is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Directors confirms that the Group has complied with the above requirements in preparing the consolidated financial statements.

Statement by the Board of Directors
In the opinion of the Board of Directors, the accompanying consolidated balance sheet, consolidated statement of changes in equity, consolidated income statement, consolidated statement of comprehensive income, and consolidated statement of cash flows, together with the notes thereto, have been properly drawn up and give fair presentation of the financial position of the Group as at 30 June 2013 and the results of its operations and cash flows for the year ended on that date in accordance with the International Financial Reporting Standards as issued by the IASB.

On behalf of the Board of Directors

Steven Bates
Chairman
25 October 2013

INDEPENDENT AUDITOR'S REPORT

We have audited the consolidated financial statements of VinaCapital Vietnam Opportunity Fund Limited ("the Company") and its subsidiaries (together, "the Group") set out on pages 52 to 110 which comprise the consolidated balance sheet as at 30 June 2013, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS), and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view 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 directors, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements give a true and fair view of the state of affairs of the Group as at 30 June 2013, and of its financial performance and cash flows for the year then ended in accordance with IFRS.

Other Matters

This report, including the opinion, has been prepared for and only for you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 25 October 2013

CONSOLIDATED FINANCIAL STATEMENTS

	Note	30 June 2013 USD'000	30 June 2012 USD'000
ASSETS			
Non-current			
Plant and equipment		3,093	800
Investment properties		3,722	1,785
Interests in associates	6	182,090	199,137
Prepayments for acquisition of investment properties	7	8,239	7,500
Financial assets at fair value through profit or loss	12	4,697	–
Available-for-sale financial assets	8	5,784	6,111
Long-term loan to an associate	30(d)	1,325	–
Other non-current assets		207	583
Total non-current assets		**209,157**	**215,916**
Current			
Inventories	10	7,413	6,090
Trade and other receivables	11	17,918	14,611
Short-term loans to related parties	30(d)	7,501	10,771
Financial assets at fair value through profit or loss	12	467,762	425,281
Available-for-sale financial assets	8	8,700	28,450
Cash and cash equivalents (excluding bank overdraft)	13	53,392	42,209
Total current assets		**562,686**	**527,412**
Assets classified as held for sale	14	–	32,127
Total assets		**771,843**	**775,455**

The notes on pages 60 to 110 are an integral part of these consolidated financial statements.

EQUITY AND LIABILITIES	Note	30 June 2013 USD'000	30 June 2012 USD'000
EQUITY			
Equity attributable to owners of the parent			
Share capital	15	3,246	3,246
Additional paid-in capital		722,064	722,064
Treasury shares	16	(113,639)	(17,785)
Revaluation reserve	17	31,376	28,602
Available-for-sale financial assets reserve		4,336	14,180
Translation reserve		(18,763)	(17,011)
Retained earnings		123,823	32,349
Total equity		**752,443**	**765,645**
Non-controlling interests		**1,089**	**–**
Total equity		**753,532**	**765,645**
LIABILITIES			
Non-current			
Deferred tax liabilities		–	101
Other long-term liabilities		236	175
Total non-current liabilities		**236**	**276**
Current			
Short-term bank borrowings	18	2,261	2,588
Trade and other payables	19	13,658	4,787
Payable to related parties	30(c)	2,156	2,159
Total current liabilities		**18,075**	**9,534**
Total liabilities		**18,311**	**9,810**
Total equity and liabilities		**771,843**	**775,455**
Net asset value, USD per share	27(c)	**2.88**	**2.45**

The notes on pages 60 to 110 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

	Attributable to equity holders of the Company									
	Share capital USD'000	Additional paid-in capital USD'000	Treasury shares USD'000	Revaluation reserve USD'000	Available-for-sale financial assets reserve USD'000	Translation reserve USD'000	Retained earnings USD'000	Total USD'000	Non-controlling interests USD'000	Total equity USD'000
Balance at 1 July 2011	3,246	722,064	–	27,513	–	(4,834)	3,917	**751,906**	–	**751,906**
Profit for the year	–	–	–	–	–	–	28,432	**28,432**	–	**28,432**
Other comprehensive income/(loss)	–	–	–	1,089	14,180	(12,177)	–	**3,092**	–	**3,092**
Total comprehensive income/(loss) for the year	**–**	**–**	**–**	**1,089**	**14,180**	**(12,177)**	**28,432**	**31,524**	**–**	**31,524**
Shares buy-back (Note 16)	**–**	**–**	**(17,785)**	**–**	**–**	**–**	**–**	**(17,785)**	**–**	**(17,785)**
Balance at 30 June 2012	**3,246**	**722,064**	**(17,785)**	**28,602**	**14,180**	**(17,011)**	**32,349**	**765,645**	**–**	**765,645**
Balance at 1 July 2012	**3,246**	**722,064**	**(17,785)**	**28,602**	**14,180**	**(17,011)**	**32,349**	**765,645**	**–**	**765,645**
Profit for the year	–	–	–	–	–	–	90,254	**90,254**	(202)	**90,052**
Disposal of associate	–	–	–	(1,220)	–	–	(1,220)	**–**	–	**–**
Other comprehensive income/(loss)	–	–	–	3,994	(9,844)	(1,752)	–	**(7,602)**	(151)	**(7,753)**
Total comprehensive income/(loss) for the year	**–**	**–**	**–**	**2,774**	**(9,844)**	**(1,752)**	**91,474**	**82,652**	**(353)**	**82,299**
Acquisition of subsidiary (Note 5)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,442**	**1,442**
Shares buy-back (Note 16)	**–**	**–**	**(95,854)**	**–**	**–**	**–**	**–**	**(95,854)**	**–**	**(95,854)**
Balance at 30 June 2013	**3,246**	**722,064**	**(113,639)**	**31,376**	**4,336**	**(18,763)**	**123,823**	**752,443**	**1,089**	**753,532**

The notes on pages 60 to 110 are an integral part of these consolidated financial statements.

Consolidated Income Statement

	Note	Year ended 30 June 2013 USD'000	30 June 2012 USD'000
Revenue	20	9,982	8,913
Cost of sales	20	(7,639)	(4,867)
Gross profit		**2,343**	**4,046**
Dividend income		23,906	20,710
Interest income	21(a)	3,427	3,413
Fair value gain of financial assets at fair value through profit or loss, net	22	89,254	27,491
Fair value loss of investment property		–	(1,660)
Other income	23	11,122	23,565
Selling, general and administration expenses	24	(20,740)	(19,498)
Other expenses	25	(9,327)	(11,622)
Operating profit		**99,985**	**46,445**
Finance income	21(b)	89	93
Finance costs	21(b)	(1,136)	(1,059)
Finance costs, net		(1,047)	(966)
Share of losses of associates, net of tax	6	(8,214)	(16,347)
		(9,261)	(17,313)
Profit before tax		**90,724**	**29,132**
Corporate income tax	26	(16)	–
Withholding taxes on investment income	26	(656)	(700)
Profit for the year		**90,052**	**28,432**
Profit attributable to:			
Owners of the parent		90,254	28,432
Non-controlling interests		(202)	–
		90,052	28,432
Earnings per share – basic and diluted (USD per share)	**27(a),(b)**	**0.31**	**0.09**

The notes on pages 60 to 110 are an integral part of these consolidated financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

		Year ended	
	Note	30 June 2013 USD'000	30 June 2012 USD'000
Profit for the year		**90,052**	**28,432**
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss:			
– Change in fair value of available-for-sale financial assets		(9,844)	14,180
– Currency translation differences		(1,903)	(12,177)
		(11,747)	**2,003**
Items that will be not reclassified subsequently to profit or loss:			
– Share of revaluation reserve of associates	17	3,994	1,089
Other comprehensive (loss)/income for the year		**(7,753)**	**3,092**
Total comprehensive income for the year		**82,299**	**31,524**
Attributable to:			
Owners of the parent		82,652	31,524
Non-controlling interests		(353)	–
		82,299	**31,524**

The notes on pages 60 to 110 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

	Note	Year ended 30 June 2013 USD'000	Year ended 30 June 2012 USD'000
Operating activities			
Profit before tax		90,724	29,132
Adjustments for:			
Depreciation and write off of assets		531	299
Net gain from realisation of financial assets at fair value through profit or loss	22	(34,753)	(4,571)
Unrealised gain from revaluation of financial assets at fair value through profit or loss	22	(54,501)	(22,920)
Fair value loss of investment property		–	1,660
Loss of acquisition of investment		449	445
Gain on disposal of investments	23	(9,954)	(10,858)
Loss on disposal of associates		667	–
Reversal of impairment loss	23	–	(9,400)
Impairment of assets		1,937	12,493
Share of losses of associates	6	8,214	16,347
Unrealised losses from foreign exchange differences	21(b)	168	16
Interest expense	21(b)	281	172
Profit before changes in working capital		**3,763**	**12,815**
Change in trade receivables and other assets		2,604	(471)
Change in inventories		(238)	(3,710)
Change in trade payables and other liabilities		3,359	(6,728)
Corporate income tax and withholding taxes imposed on investment income		(672)	(700)
Net cash inflow from operating activities		**8,816**	**1,206**

The notes on pages 60 to 110 are an integral part of these consolidated financial statements.

	Note	Year ended 30 June 2013 USD'000	30 June 2012 USD'000
(continued)			
Investing activities			
Purchases of plant and equipment		(400)	(284)
Dividends received	6	4,750	4,000
Acquisition of a subsidiary, net of cash acquired	5	(1,235)	–
Financial assets at fair value through profit or loss:			
– Acquisitions of investments		(104,865)	(82,484)
– Proceeds from disposals		148,843	65,785
Investment in associates:			
– Acquisition of investment		(46)	(22,000)
– Investment refunded		313	–
– Capital contribution into associate		–	(552)
– Proceeds from disposals		–	14,199
Available-for-sale financial assets:			
– Acquisition of investment	8	–	(2,223)
– Proceed from disposals		19,650	–
Assets classified as held for sale:			
– Proceed from disposals		25,238	17,506
Shareholder loans:			
– Advances made	30(d)	(1,779)	(1,259)
– Repayments received	30(d)	1,514	3,860
Net cash inflow/(outflow) from investing activities		**91,983**	**(3,452)**

The notes on pages 60 to 110 are an integral part of these consolidated financial statements.

	Note	Year ended 30 June 2013 USD'000	Year ended 30 June 2012 USD'000
(continued)			
Financing activities			
Interest paid	21(b)	(281)	(172)
Payment for buy back of shares		(88,609)	(17,785)
Repayment to banks		(6,638)	(3,967)
Loan proceeds from banks, net of bank overdraft		7,087	5,380
Net cash outflow from financing activities		**(88,441)**	**(16,544)**
Net increase/(decrease) in cash and cash equivalents for the year		**12,358**	**(21,775)**
Cash and cash equivalents at the beginning of the year	13	41,034	62,968
Exchange differences on cash and cash equivalents		–	(159)
Cash and cash equivalents at the end of the year	13	**53,392**	**41,034**

The notes on pages 60 to 110 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

VinaCapital Vietnam Opportunity Fund Limited ("the Company") is a limited liability company incorporated in the Cayman Islands. The registered office of the Company is PO Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands. The Company's primary objective is to undertake various forms of investment primarily in Vietnam, but also in Cambodia, Laos and Southern China. The Company is quoted on the AIM market of the London Stock Exchange under the ticker symbol VOF.

The Company does not have a fixed life, but the Board considers it desirable that shareholders should have the opportunity to review the future of the Company at appropriate intervals. Accordingly, the Board intends that a special resolution will be proposed every fifth year that the Company ceases to continue as presently constituted. If the resolution is not passed, the Company will continue to operate. If the resolution is passed, the directors will be required to formulate proposals to be put to shareholders to reorganise, unitise or reconstruct the Company or for the Company to be wound up. The Board tabled such a special resolution on 22 July 2013 and it was not passed, allowing the Company to continue as presently constituted for another five years.

The consolidated financial statements for the year ended 30 June 2013 were approved for issue by the Board of Directors on 25 October 2013.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented.

2.1 Basis of preparation

The consolidated financial statements of VinaCapital Vietnam Opportunity Fund Limited have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The consolidated financial statements have been prepared using the historical cost convention, as modified by the revaluation of properties available-for-sale financial assets, financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss. The financial statements have been prepared on a going concern basis.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

2.2 Changes in accounting policy and disclosures

a) *New and amended standards adopted by the Group*

The following amendment to a standard is mandatory for the first time for the financial year beginning 1 July 2012 and has been adopted by the Group in these consolidated financial statements:

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Changes in accounting policy and disclosures *(continued)*

a) *New and amended standards adopted by the Group (continued)*

IAS 1 (amendment) Presentation of Financial Statements–Presentation of Items of Other Comprehensive Income is effective for annual periods beginning on or after 1 July 2012. The amendments include a requirement for entities to present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss, and the title of the statement of comprehensive income is changed to "statement of profit or loss and other comprehensive income".

There are no other new IFRS or International Financial Reporting Interpretations Committee ("IFRIC") interpretations that are effective for the first time for the financial year beginning on or after 1 July 2012 that have an impact on the Group.

b) *New standards, amendments and interpretations issued but not yet effective for the financial year beginning on or after 1 July 2012 and not early adopted by the Group*

At the date of authorisation of these consolidated financial statements, new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been early adopted by the Group. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's consolidated financial statements is provided below.

IFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The Group is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting year ending 30 June 2016. The Group will also consider the impact of the remaining phases of IFRS 9 when completed by the IASB.

IFRS 10, "Consolidated financial statements" and Amendments to IFRS 10: The objective of IFRS 10 is to establish principles for the presentation and preparation of consolidated financial statements. It sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee. It also sets out the accounting requirements for the preparation of consolidated financial statements. The amendments to IFRS 10 define an investment entity and introduce an exception from the consolidation requirements for investment entities. The Group is yet to assess IFRS 10's full impact and intends to adopt IFRS 10 and the Amendments to IFRS 10 no later than the effective accounting year ending 30 June 2014 and 30 June 2015, respectively.

IFRS 12, "Disclosures of interests in other entities", includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The Group is yet to assess the full impact of IFRS 12 and intends to adopt IFRS 12 no later than the accounting year ending 30 June 2014.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Changes in accounting policy and disclosures *(continued)*

b) *New standards, amendments and interpretations issued but not yet effective for the financial year beginning on or after 1 July 2012 and not early adopted by the Group (continued)*

IFRS 13, "Fair value measurement", aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS. The requirements, which are largely aligned between IFRS and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS or US GAAP. The Group is yet to assess the full impact of IFRS 13 and intends to adopt IFRS 13 no later than the accounting year ending 30 June 2014.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group's consolidated financial statements.

2.3 Consolidation

a) *Subsidiaries*

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity, along with contractual arrangements, are taken into consolidation. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are excluded from consolidation from the date that the control ceases. The majority of the Group's subsidiaries have a reporting date of 30 June. For subsidiaries with a different reporting date, the Group consolidates management information up to 30 June.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3 Consolidation *(continued)*

a) *Subsidiaries (continued)*

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

b) *Associates*

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20 percent and 50 percent of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's interest in associates includes goodwill identified on acquisition and long-term loans to associates which in substance form part of the Group's interest in the associate.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including long term interest that in substance forms part of the investor's net investment in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the interest in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of associates' in the income statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3 Consolidation *(continued)*

b) *Associates (continued)*

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the income statement.

2.4 Foreign currency translation

a) *Functional and presentation currency*

The Group's consolidated financial statements are presented in United States Dollars (USD) ("the presentation currency"). The financial statements of each consolidated entity are initially prepared in the currency of the primary economic environment in which the entity operates ("the functional currency"), which for most investments is the Vietnamese Dong. The financial statements prepared using the Vietnamese Dong are then translated into the presentation currency. USD is used as the presentation currency because it is the primary basis for the measurement of the performance of the Group.

b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction. Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.4 Foreign currency translation *(continued)*

c) *Group companies*

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(iii) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in equity.

2.5 Non-current assets (or disposal groups) and liabilities held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable at the reporting date. The assets are classified as "asset held for sale" and presented separately in the consolidated balance sheet. They are measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair values less costs to sell.

2.6 Financial assets

2.6.1 Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

a) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or designated by the management to be carried at fair value through profit or loss at inception. Financial assets at fair value through profit or loss held by the Group include listed and unlisted securities and bonds. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.6 Financial assets *(continued)*

2.6.1 Classification *(continued)*

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "Trade receivables" and "Cash and cash equivalents" in the consolidated balance sheet (Notes 2.11 and 2.12).

c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period. The Group's available-for-sale financial assets are investments in private entities.

2.6.2 Recognition and measurement

Purchases or sales of financial assets are recognised on the date on which the Group commits to purchase or sell the asset.

Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

If the investments do not have a quoted market price in an active market and whose fair value cannot be reliably measured, such investments shall be measured at cost, less provision for impairment.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within "fair value gain/(loss)of financial assets at fair value through profit or loss" in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement when the Group's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'gains and losses from investment securities'.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.6 Financial assets *(continued)*

2.6.2 Recognition and measurement *(continued)*

Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement as part of other income. Dividends on available-for-sale equity instruments are recognised in the income statement as part of other income when the Group's right to receive payments is established.

2.7 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.8 Prepayments for acquisition of investments

These represent prepayments made by the Group to investment/property vendors for land compensation and other related costs, and professional fees directly attributed to the projects, where the final transfer of the investment/property is pending the approval of the relevant authorities and/or is subject to either the Group or the vendor completing certain performance conditions set out in agreements. Such prepayments are measured initially at cost until such time as the approval is obtained or conditions are met, at which point they are transferred to appropriate investment accounts.

2.9 Impairment of assets

a) Impairment of non-financial assets

Assets that have an indefinite useful life, for example, prepayment for acquisition of investment, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

b) Impairment of financial assets

Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.9 Impairment of assets *(continued)*

b) Impairment of financial assets (continued)

Assets carried at amortised cost *(continued)*

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

Assets classified as available-for-sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For debt securities, the Group uses the criteria referred to in (a) above. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated income statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods includes all expenses directly attributable to the manufacturing process as well as suitable portions of related production overheads, based on normal operating capacity. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.11 Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.12 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.13 Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued. Additional paid-in capital includes any premiums received on the initial issuance of the share capital. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Any transaction costs associated with the issuing of shares are deducted from additional paid-in capital, net of any related income tax benefits.

2.14 Treasury shares

Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued.

Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When such treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/from retained earnings.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.15 Revaluation reserve

The revaluation reserve arises from the revaluation of buildings and leasehold land improvements including hotels and golf courses held by associates. The revaluation policy is consistent with the fair value policy as described in Note 3. Increases in the carrying amount arising on revaluation are credited to other comprehensive income and shown as revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against revaluation reserve directly in equity; all other decreases are charged to the income statement.

2.16 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.17 Current and deferred income tax

a) Corporate income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Gains and losses from changes in fair value of properties of the associates are accounted for using the equity method of accounting.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, authorities relating to the current or prior reporting periods that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the consolidated income statement.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the consolidated financial statements with their respective tax bases. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries and associates is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.17 Current and deferred income tax *(continued)*

a) *Corporate income tax (continued)*

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the reporting date. Most changes in deferred tax assets or liabilities are recognised as a component of tax expense in the consolidated income statement. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to other comprehensive income are charged or credited directly to other comprehensive income.

b) *Withholding taxes on investment income*

The Group currently incurs withholding taxes imposed by local jurisdictions on investment income. Such income is recorded gross of withholding taxes in the consolidated income statement.

2.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation and there is uncertainty about the timing or amount of the future expenditure require in settlement. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Long-term provisions are discounted to their present values, where the time value of money is material.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate of the Group's management.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.19 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below.

a) Sale of goods

Revenue from sale of goods is recognised in the consolidated income statement when the significant risks and rewards of ownership of goods have passed to the buyer. Revenue is measured by reference to the fair value of consideration received or receivable by the Group for goods supplied, excluding sales taxes, rebates, and trade discounts.

b) Interest income

Interest income is recognised using the effective interest method. When a loan receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan receivables is recognised using the original effective interest rate.

c) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.20 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Enterprises and individuals that directly, or indirectly through one or more intermediary, control, or are controlled by, or under common control with, the Company, including, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owing directly, or indirectly, an interest in the voting power of the Company that give them significant influence over the entity, key management personnel, including directors and officers of the Company, the Investment Manager and the close members of the family. In consider each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

When preparing the consolidated financial statements, the Group undertakes a number of accounting judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and may not equal the estimated results.

Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

3.1 Critical accounting estimates and assumptions

Fair value of properties within the Group and the associates

Properties within the Group and the associates are stated at fair value. Two independent valuation firms with appropriately recognised professional qualifications and recent experience in the location and category being valued undertake a valuation of every property each year on the same valuation date. The fair value is estimated by the independent valuation firms, including: CB Richard Ellis, Savills, Jones Lang LaSalle and HVS, assuming there is an agreement between a willing buyer and a willing seller in an arm's length transaction after proper marketing; wherein the parties have each acted knowledgeably, prudently and without compulsion.

These valuations are based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. The valuations by the independent valuation firms are prepared based upon direct comparison with sales of other similar properties in the area and the expected future discounted cash flows of a property using a yield that reflects the risks inherent therein. The estimated fair values provided by the independent valuation firms are used by the valuation committee as the primary basis for estimating each property's fair value. In addition to the reports of the independent valuation firms, the valuation committee considers information from other sources, including those sources as below, before concluding on each property's estimated fair value.

a) Current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;

b) Recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices;

c) Recent developments and changes in laws and regulations that might affect zoning and/or the Group's ability to exercise its rights in respect to properties and therefore fully realise the estimated values of such properties; and

d) Discounted cash flow projections based on estimates of future cash flows, derived from the terms of external evidence such as current market rents and sales prices for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

3.1 Critical accounting estimates and assumptions *(continued)*

Discount rates ranging from 14 percent to 22 percent (30 June 2012: 14 percent to 22 percent) are considered appropriate by independent valuation firms for properties in different locations. Gains and losses from changes in fair value of properties of the Group are recognised in the consolidated income statement. Gains and losses from changes in fair value of properties of the associates are accounted for using the equity method of accounting.

Fair value of financial assets

Listed securities are quoted at the bid price at each reporting date. For unlisted securities which are traded in an active market, the fair value is the average quoted bid price obtained from a minimum sample of three reputable securities companies at the reporting date.

The fair value of financial assets that are not traded in an active market (for example, unlisted securities where market prices are not readily available) is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. Independent valuations are also obtained from appropriately qualified independent valuation firms to evaluate and adjust valuations. The outcomes may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

3.2 Critical judgement in applying the Group's accounting policies

Equity investments

When the Group has interest in the voting power of the investee of between 20 percent and 50 percent, significant influence over the investee is presumed. There are situations, however, where it can be clearly demonstrated that an interest held by the Group is less than 20 percent, but significant influence exists; and conversely an interest held of more than 20 percent where there is no significant influence.

At the reporting date, the Group has interests in certain investees with less than 20 percent voting power but these are accounted for as associates of the Group (Note 6) based on the following criteria:

a) The Group has representation on the Board of Directors of the investee;

b) The Group participates in policy-making processes, including decisions about dividends or other distributions;

c) There was interchange of managerial personnel; or

d) The Group provides essential technical information.

Those investments where the Group has more than 20 percent interest but does not have significant influence, are accounted for as investments (Note 12).

4 SEGMENT ANALYSIS

In identifying its operating segments, management generally follows the Group's sectors of investment which are based on internal management reporting information for the Investment Manager's management, monitoring of investments and decision making. The operating segments by investment portfolio include capital markets, real estate (real estate and hospitality), private equity and cash (including cash and cash equivalents, and short-term deposits) sectors.

Each of the operating segments is managed and monitored individually by the Investment Manager as each requires different resources and approaches. The Investment Manager assesses segment profit or loss using a measure of operating profit or loss from the investment assets. Although IFRS 8 requires measurement of segmental profit or loss the majority of expenses are common to all segments therefore cannot be individually allocated. There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss. Segment information can be analysed as follows:

Revenue and other segment profit and loss

	Capital markets USD'000	Real estate USD'000	Private equity USD'000	Cash USD'000	Total USD'000
Year ended 30 June 2013					
Revenue	–	–	9,982	–	9,982
Cost of sales	–	–	(7,639)	–	(7,639)
Dividend income	23,906	–	–	–	23,906
Interest income	–	–	–	3,427	3,427
Share of losses of associates	–	(8,214)	–	–	(8,214)
Selling and other expenses	–	–	(3,330)	–	(3,330)
Finance income	–	–	89	–	89
Other income	–	11,150	(28)	–	11,122
Fair value gain of financial assets at fair value through profit or loss	89,254	–	–	–	89,254
	113,160	**2,936**	**(926)**	**3,427**	**118,597**
Less: Unallocated expenses					(27,873)
Profit before tax					**90,724**

4 SEGMENT ANALYSIS *(continued)*

Revenue and other segment profit and loss *(continued)*

	Capital markets USD'000	Real estate USD'000	Private equity USD'000	Cash USD'000	Total USD'000
Year ended 30 June 2012					
Revenue	–	–	8,913	–	8,913
Cost of sales	–	–	(4,867)	–	(4,867)
Dividend income	20,710	–	–	–	20,710
Interest income	–	–	–	3,413	3,413
Share of losses of associates	–	(16,347)	–	–	(16,347)
Selling and other expenses	–	–	(1,806)	–	(1,806)
Finance income	–	–	93	–	93
Other income	–	12,301	11,264	–	23,565
Fair value loss of investment property	–	(1,660)	–	–	(1,660)
Fair value gain of financial assets at fair value through profit or loss	27,491	–	–	–	27,491
	48,201	**(5,706)**	**13,597**	**3,413**	**59,505**
Less: Unallocated expenses					(30,373)
Profit before tax					**29,132**

4 SEGMENT ANALYSIS *(continued)*

Assets

	Capital markets USD'000	Real estate USD'000	Private equity USD'000	Cash USD'000	Total USD'000
As at 30 June 2013					
Financial assets at fair value through profit or loss:					
– Non-current	–	–	4,697	–	4,697
– Current	439,830	–	10,180	17,752	467,762
Investment property	–	3,722	–	–	3,722
Interests in associates	–	181,969	121	–	182,090
Prepayment for acquisition of investment property	–	8,239	–	–	8,239
Available-for-sale financial assets:	–		–	–	
– Non-current	–	5,784	–	–	5,784
– Current	–	–	8,700	–	8,700
Other non-current assets	–	1,325	3,300	–	4,625
Cash and cash equivalents	–	–	–	53,392	53,392
Inventories	–	–	7,413	–	7,413
Other current assets	1,423	11,234	6,302	6,460	25,419
Total assets	**441,253**	**212,273**	**40,713**	**77,604**	**771,843**
Total assets include:					
additions to non-current assets	**–**	**484**	**400**	**–**	**884**

4 **SEGMENT ANALYSIS** *(continued)*

Assets *(continued)*

	Capital markets USD'000	Real estate USD'000	Private equity USD'000	Cash USD'000	Total USD'000
As at 30 June 2012					
Financial assets at fair value through profit or loss	394,369	–	5,000	25,912	425,281
Investment property	–	1,785	–	–	1,785
Interests in associates	–	193,611	5,526	–	199,137
Prepayment for acquisition of investment property	–	7,500	–	–	7,500
Available-for-sale financial assets:					
– Non-current	–	6,111	–	–	6,111
– Current	–	–	28,450	–	28,450
Other non-current assets	–	–	1,383	–	1,383
Cash and cash equivalents	–	–	–	42,209	42,209
Inventories	–	–	6,090	–	6,090
Other current assets	3,412	15,527	6,443	–	25,382
Assets classified as held for sale	–	27,227	4,900	–	32,127
Total assets	**397,781**	**251,761**	**57,792**	**68,121**	**775,455**
Total assets include: additions to non-current assets	**–**	**22,107**	**284**	**–**	**22,391**

5 BUSINESS COMBINATION

Acquisition of controlling interest in Yen Viet Joint Stock Company ('Yen Viet')

At 30 June 2012, the Group held a 23 percent equity interest in Yen Viet which at the time was carried as an associate. The principal activity of this company is to collect and process raw birds-nests and to sell birds-nests consumer products.

On 30 November 2012, the Group became entitled to increase the existing interest from 23.0 percent to 55.0 percent due to certain conditions in the sale and purchase agreement not being met. On 30 November 2012, the Group also acquired an additional 10.0 percent equity interest in Yen Viet for USD1.4 million in cash. Therefore, the interest of the local partners decreased from 67.0 percent to 35.0 percent and the Group's interest in Yen Viet increased from 33.0 percent to 65.0 percent which resulted in Yen Viet becoming a subsidiary of the Group.

The following table summarises the consideration paid for Yen Viet, and the amount of the assets acquired and liabilities assumed recognised at the acquisition date.

	30 November 2012 USD'000
Cash paid, representing consideration paid by the Group	1,440
Fair value of equity interest in Yen Viet held before the business combination	1,829
Total consideration	**3,269**

Recognised amounts of identifiable assets acquired and liabilities assumed	
Provisional fair value	
Cash and cash equivalents	205
Plant and equipment	1,733
Trade and other receivables	2,326
Inventories	1,085
Borrowings	(413)
Payables	(674)
Total identifiable net assets	**4,262**
Non-controlling interests	**(1,442)**
Goodwill	**449**
	3,269

5 BUSINESS COMBINATION *(continued)*

For cash flow statement purposes, net cash paid for the acquisition of the subsidiary is as follows:

	30 November 2012 USD'000
Cash paid	1,440
Less: cash acquired	(205)
	1,235

The revenue included in the consolidated income statement from 30 November 2012 to 30 June 2013 contributed by Yen Viet was USD1.2 million. Yen Viet also contributed a loss of USD0.6 million over the same period.

Had Yen Viet been consolidated from 1 July 2012, the consolidated income statement for the year ended 30 June 2013 would show a proforma revenue of USD3.0 million and proforma loss of USD0.8 million.

There are no contingent liabilities arising on the acquisition of Yen Viet.

The fair value of trade and other receivables is USD2.3 million and includes trade receivables with a fair value of USD0.2 million. The gross contractual amount for trade receivables due is USD0.3 million of which USD0.1 million is expected to be uncollectible.

The non-controlling interests have been recognised at a proportion to the net assets acquired.

6 INTERESTS IN ASSOCIATES

	30 June 2013 USD'000	30 June 2012 USD'000
Investments in associates	146,966	172,341
Long-term loan receivables (Note 30(d))	35,124	35,733
Interests in associates	182,090	208,074
Less: Provision for impairment losses (*)	–	(8,937)
Total	**182,090**	**199,137**

The movement in investments in associates is analysed as follows:

Opening balance	172,341	199,579
Additions	484	22,107
Share of losses, net of tax	(8,214)	(16,347)
Share of change in revaluation reserve	3,994	(112)
Transfer to asset held for sale (Note 14)	–	(24,700)
Long-term loan converted to equity shares	–	12,550
Transfer (to subsidiary)/from available-for-sale financial assets (Note 8)	(8,058)	8,165
Dividends received	(4,750)	(4,000)
Disposals	(7,088)	(13,041)
Share of translation differences	(1,743)	(11,860)
Closing balance	**146,966**	**172,341**

(*) The reversal of impairment losses during the year was due to disposals of associates.

6 INTERESTS IN ASSOCIATES *(continued)*

The Group's interest in significant associates, and the aggregated assets (including goodwill) and liabilities at 30 June 2013 and their performance during the year was as follows:

Name	Country of incorporation	% of group interest	Assets USD'000	Liabilities USD'000	Revenue USD'000	Profit/(loss) USD'000
30 June 2013						
S.E.M Thong Nhat Hotel Metropole	Vietnam	50.00	42,138	6,992	35,748	8,504
Hung Vuong Corporation	Vietnam	33.33	36,800	19,220	8,527	2,052
VinaCapital Danang Golf Course Ltd.	Vietnam	25.00	82,658	26,355	4,166	(14,574)
Prosper Big Ltd.	BVI	25.00	154,738	139,075	–	(2,261)
VinaCapital Danang Resorts Ltd.	Vietnam	25.00	55,375	22,506	10,050	(7,045)
Vinh Thai Co. Ltd.	Vietnam	25.00	61,151	39,976	78	(10,286)
Vina Alliance Limited (*)	Vietnam	15.50	96,382	26,394	2	(15,805)
Saigon Golf JSC	Vietnam	20.00	11,393	3,178	92	(316)
Vina Dai Phuoc Corporation (*)	Vietnam	18.00	89,992	33,643	14,511	(4,883)
Phu Hoi City Company Limited (*)	Vietnam	17.50	24,594	6	5	(6,222)
30 June 2012						
S.E.M Thong Nhat Hotel Metropole	Vietnam	50.00	45,374	9,224	35,044	7,351
Hung Vuong Corporation	Vietnam	33.33	37,393	21,639	8,249	1,128
VinaCapital Danang Golf Course Ltd.	Vietnam	25.00	97,542	25,783	5,463	(10,594)
Prosper Big Ltd.	BVI	25.00	162,166	144,152	–	(14,617)
VinaCapital Danang Resorts Ltd.	Vietnam	25.00	93,458	31,770	32,013	(1,146)
Vinh Thai Co. Ltd.	Vietnam	25.00	67,369	36,342	–	(24,561)
Vina Alliance Limited (*)	Vietnam	15.50	117,006	30,185	–	(32,332)
Saigon Golf JSC	Vietnam	20.00	11,865	3,232	–	(212)
Vina Dai Phuoc Corporation (*)	Vietnam	18.00	103,746	41,573	–	(12,858)
Phu Hoi City Company Limited (*)	Vietnam	17.50	31,224	15	–	(6,928)

(*) Although the Group holds less than 20 percent of the equity shares in Vina Alliance Limited, Vina Dai Phuoc Corporation and Phu Hoi City Company Limited, the Group exercises significant influence by having the power to participate in the financial and operating policy decisions of these entities and therefore these investments are treated as associates of the Group.

6 INTERESTS IN ASSOCIATES *(continued)*

The Group has discontinued the recognition of its shares of losses of those associates which have been written down to zero and to which the Group has no continuing obligation. The amount of unrecognised share of losses for the year ended 30 June 2013 and cumulatively are USD0.9 million and USD3.9 million (year ended 30 June 2012 and cumulatively were USD2.5 million and USD3.0 million) respectively.

7 PREPAYMENTS FOR ACQUISITION OF INVESTMENT PROPERTIES

	30 June 2013 USD'000	30 June 2012 USD'000
Opening balance	8,986	8,986
Transfer from asset classified as held for sale (Note 14)	1,989	–
Less: cumulative provision for impairment losses	(2,736)	(1,486)
Closing balance	**8,239**	**7,500**

Movement of cumulative provision for impairment losses is as follows:

Opening balance	1,486	–
Charge for the year	1,250	1,486
Closing balance	**2,736**	**1,486**

These prepayments relate to payments made by the Group to property vendors where the final transfers of the properties are pending the approval of the relevant authorities as at the balance sheet date.

As at 30 June 2013 and 30 June 2012, due to market conditions, the recoverable amounts of the properties which were assessed based on fair value less cost to sell were lower than its carrying values.

8 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	30 June 2013 USD'000	30 June 2012 USD'000
Opening balance	34,561	16,923
Addition during the year	–	2,223
Disposal during the year	(20,077)	–
Transfer to investments in associates (Note 6)	–	(8,165)
Fair value gain on financial asset	–	23,580
Closing balance	14,484	34,561
Less: current portion	(8,700)	(28,450)
Non-current portion	**5,784**	**6,111**
Available-for-sale financial assets	14,484	34,760
Less: Cumulative provision for impairment losses	–	(199)
Total	**14,484**	**34,561**

9 FINANCIAL INSTRUMENTS BY CATEGORY

	Loans and receivables USD'000	Financial assets at fair value through profit or loss USD'000	Available-for-sale financial assets USD'000	Total USD'000
As at 30 June 2013				
Available-for-sale financial assets	–	–	14,484	**14,484**
Long-term loan included in interest in associates	35,124	–	–	**35,124**
Short-term loan to an associate	7,501	–	–	**7,501**
Long-term loan to an associate	1,325	–	–	**1,325**
Trade and other receivables	17,918	–	–	**17,918**
Financial assets at fair value through profit or loss	–	472,459	–	**472,459**
Cash and cash equivalents	53,392	–	–	**53,392**
Total	**115,260**	**472,459**	**14,484**	**602,203**
Financial assets denominated in:				
– USD	6,346	20,907	–	**27,253**
– VND	108,895	450,938	14,484	**574,317**
– Other currency	19	614	–	**633**
	115,260	**472,459**	**14,484**	**602,203**

9 FINANCIAL INSTRUMENTS BY CATEGORY *(continued)*

	Loans and receivables USD'000	Financial assets at fair value through profit or loss USD'000	Available-for-sale financial assets USD'000	Total USD'000
As at 30 June 2012				
Available-for-sale financial assets	–	–	34,561	**34,561**
Long-term loan included in interest in associates	35,733	–	–	**35,733**
Short-term loan to an associate	10,771	–	–	**10,771**
Trade and other receivables	14,611	–	–	**14,611**
Financial assets at fair value through profit or loss	–	425,281	–	**425,281**
Cash and cash equivalents	42,209	–	–	**42,209**
Total	**103,324**	**425,281**	**34,561**	**563,166**
Financial assets denominated in:				
– USD	10,955	23,321	29,600	**63,876**
– VND	92,329	401,960	4,961	**499,250**
– Other currency	40	–	–	**40**
	103,324	**425,281**	**34,561**	**563,166**

All financial liabilities are classified as financial liabilities carried at amortised cost. As at the balance sheet date, the financial liabilities denominated in USD and in VND are USD10.4 million and USD6.0 million (30 June 2012: USD1.2 million and USD7.6 million), respectively.

10 INVENTORIES

	30 June 2013 USD'000	30 June 2012 USD'000
At cost:		
Finished goods	4,593	3,424
Raw materials	1,651	1,487
Work in progress	264	155
Spares and tools	905	1,000
Goods on consignment	–	24
Total	**7,413**	**6,090**

The cost of inventories recognised as expenses and included in cost of sales amounted to USD5.5 million (year ended 30 June 2012: USD4.3 million) during the year.

11 TRADE AND OTHER RECEIVABLES

	30 June 2013 USD'000	30 June 2012 USD'000
Trade receivables	1,730	1,293
Receivable from matured bonds	9,888	3,404
Interests receivables	1,030	1,839
Dividend receivables	371	948
Receivable from disposals of investments	2,963	3,518
Payment on behalf of related parties (Note 30(c))	2,059	2,941
Short-term loans to third parties	1,271	–
Deposit for shares tender	1,152	3,293
Other receivables	2,555	1,121
	23,019	18,357
Less: Cumulative provision for impairment of receivables	(5,101)	(3,746)
	17,918	**14,611**

11 TRADE AND OTHER RECEIVABLES *(continued)*

The movement in the cumulative provision for impairment of receivables is analysed as follows:

	30 June 2013 USD'000	30 June 2012 USD'000
Opening balance	3,746	4,225
Provision for impaired receivables (Note 25)	1,355	–
Reversal of unused provision	–	(479)
Closing balance	**5,101**	**3,746**
Provision balance is in respect of:		
– Trade receivables	625	342
– Receivable from matured bonds	3,428	3,404
– Others	1,048	–
	5,101	**3,746**

The creation and release of the provision for impaired receivables have been included in 'other expenses' in the income statement.

The credit quality of the trade and other receivables as at the reporting date is as follows:

	30 June 2013 USD'000	30 June 2012 USD'000
Trade receivables:		
– Current within the credit period and not impaired	672	626
– Past due but not impaired	433	325
– Past due and impaired	625	342
Other receivables:		
– Current and not impaired	16,813	13,660
– Past due and impaired	4,476	3,404
Total	**23,019**	**18,357**

The amounts of trade receivables past due and assessed as impaired relate to receivables from sales agents of subsidiaries. The amounts past due but assessed as not impaired at the balance sheet date relate to a number of customers with whom there is no recent history of default.

11 TRADE AND OTHER RECEIVABLES *(continued)*

As at both reporting dates, there is no significant concentration of credit risk relating to any single customer.

Other than the provision for impairment of receivables disclosed above based on management's assessments, the other classes within the trade and other receivables do not contain impaired assets.

As all trade and other receivables are short term in nature, their carrying values are considered reasonable approximation of their fair values at the reporting date.

12 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2013 USD'000	30 June 2012 USD'000
Financial assets in Vietnam:		
Ordinary shares – listed	356,438	297,074
Ordinary shares – unlisted	76,748	78,974
Corporate bonds	–	8,500
Government bonds	17,752	17,412
	450,938	401,960
Financial assets in countries other than Vietnam:		
Ordinary shares – listed	21,521	23,321
Total	**472,459**	**425,281**
Less: non-current portion	(4,697)	–
Current portion	**467,762**	**425,281**

Corporate bonds carry fixed interest rates ranging from 7.0 percent to 8.0 percent (30 June 2012: 8.0 percent to 9.6 percent). The government bonds carry a fixed interest rate of 8 percent (30 June 2012: 9.8 percent). Government bonds have a Moody's rating of B2 in March 2013.

12 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS *(continued)*

As at the reporting date, the Group holds more than a 20 percent equity interest in the following entities but for which the Group determines that it has no significant influence:

	Equity interest (%) as at	
	30 June 2013	30 June 2012
Listed entities:		
– Thu Duc Water Supply Joint Stock Company	30.0%	30.0%
– Khang Dien House Trading and Investment Joint Stock Company	23.6%	26.5%
Unlisted entities:		
– An Giang Plant Protection Joint Stock Company	24.7%	24.7%
– Cau Tre Export Goods Processing Joint Stock Company	36.4%	19.3%
– Vina Construction Machine Joint Stock Company	30.0%	30.0%
– Saigon Petroleum Service Company	22.2%	22.2%

The details of financial assets at fair value through profit or loss by industry are as follows:

	30 June 2013 USD'000	30 June 2012 USD'000
Consumer staples	163,169	106,559
Construction	45,849	39,559
Financial services	61,343	77,416
Agriculture, rubber and fertiliser	83,673	73,502
Energy, minerals and petroleum	24,737	21,916
Pharmaceuticals	19,388	12,567
Real estate	48,036	49,589
Other securities	8,512	18,261
Bonds	17,752	25,912
Total	**472,459**	**425,281**

13 CASH AND CASH EQUIVALENTS

	30 June 2013 USD'000	30 June 2012 USD'000
Cash on hand	26	18
Cash in banks	28,987	16,277
Cash equivalents	24,379	25,914
	53,392	**42,209**

Cash equivalents represent short-term deposits with annual interest rates of 0.5 percent and 7.0 percent for USD and VND accounts (30 June 2012: 0.5 percent and 9.0 percent for USD and VND accounts), respectively. The majority of these deposits have maturity terms from one to two months from the reporting date.

As at the balance sheet date, the cash and cash equivalents are denominated in the following currencies:

	30 June 2013 USD'000	30 June 2012 USD'000
Cash and cash equivalents in USD	15,046	9,177
Cash and cash equivalents in VND	38,326	32,987
Cash and cash equivalents in other currencies	20	45
Total	**53,392**	**42,209**

For the purpose of the statement of cash flows, cash and cash equivalents include bank overdrafts:

	30 June 2013 USD'000	30 June 2012 USD'000
Cash and cash equivalents	53,392	42,209
Bank overdraft (Note 18)	–	(1,175)
	53,392	**41,034**

14 ASSETS CLASSIFIED AS HELD FOR SALE

	30 June 2013 USD'000	30 June 2012 USD'000
Opening balance	32,127	12,349
Disposed of during the year	(25,238)	(7,449)
Transfer to financial assets at fair value through profit or loss	(4,900)	–
Transfer from loan to a related party (Note 30(d))	–	2,527
Transfer from investments in associates (Note 6)	–	24,700
Transfer to prepayments for acquisition of investment properties (Note 7) (*)	(1,989)	–
Closing balance	**–**	**32,127**

(*) The balance of USD1.99 million relates to a sale under which the conditions precedent were not met by the buyer. The sale did not complete and accordingly the asset has been reclassified to its original asset class.

15 SHARE CAPITAL

	30 June 2013		30 June 2012	
	Number of shares	USD'000	Number of shares	USD'000
Ordinary shares of USD0.01 each:				
Authorised	500,000,000	5,000	500,000,000	5,000
Issued and fully paid	324,610,259	3,246	324,610,259	3,246

16 TREASURY SHARES

	30 June 2013		30 June 2012	
	Number of shares	USD'000	Number of shares	USD'000
Opening balance	12,074,663	17,785	–	–
Shares buy-back during the year	51,159,325	95,854	12,074,663	17,785
Closing balance	63,233,988	113,639	12,074,663	17,785

During the year, the Group purchased a further 51,159,325 of its ordinary shares (30 June 2012: 12,074,663 shares) for a total cash consideration of USD88.7 million (30 June 2012: USD17.8 million) and payable of USD7.2 million at year end (30 June 2012: nil) at an average cost of USD1.87 per share (30 June 2012: USD1.47 per share).

16 TREASURY SHARES *(continued)*

The total number of shares acquired represents 19.48 percent (30 June 2012: 3.72 percent) of the Company's 324,610,259 ordinary shares in issue and as a result, total voting rights in the Company have been reduced to 261,376,271 shares (30 June 2012: 312,535,596 shares).

17 REVALUATION RESERVE

	30 June 2013 USD'000	30 June 2012 USD'000
Opening balance	28,602	27,513
Share of associates' change in revaluation reserve	3,994	1,089
Disposal of an associate	(1,220)	–
Closing balance	**31,376**	**28,602**

The Group's share of the revaluation gains relates to the revaluation of associates' hospitality properties.

18 SHORT-TERM BANK BORROWINGS

Included in bank borrowings as at 30 June 2013 and 30 June 2012 are bank overdraft of nil and USD1.2 million respectively (Note 13).

Bank borrowings are not secured and their fair values at the reporting date are equal to the carrying amounts due to their short term nature.

Bank borrowings are denominated in VND and are repayable within 12 months. They are subject to interest rates ranging from 10.0 percent to 11.5 percent per annum (30 June 2012: from 10.5 percent to 17.5 percent per annum).

19 TRADE AND OTHER PAYABLES

	30 June 2013 USD'000	30 June 2012 USD'000
Trade payables	1,841	1,987
Withholding taxes payable	1,093	785
Unearned revenue	1,526	1,616
Payables to brokers	7,245	–
Professional fees payables	739	41
Other payables	1,214	358
Total	**13,658**	**4,787**

All trade and other payables are short-term in nature. Therefore, their carrying values are considered a reasonable approximation of their fair values.

20 REVENUE AND COST OF SALES

The Group's revenue and cost of sales represent the sales of goods and cost of sales of its operating subsidiaries, American Home Vietnam Co. Ltd and Yen Viet Joint Stock Company. All revenues are derived from external customers and there was no significant concentration of sales to any single customer.

21 INTEREST INCOME AND FINANCE COSTS, NET

(a) Interest income

	Year ended 30 June 2013 USD'000	Year ended 30 June 2012 USD'000
Interest income comprised interest earned on:		
– cash and term deposits	1,413	1,661
– government bonds	1,066	636
– corporate bonds	184	64
– loans to associates	590	595
– others	174	457
Total	**3,427**	**3,413**

21 INTEREST INCOME AND FINANCE COSTS, NET *(continued)*

(b) Finance costs, net

	Year ended	
	30 June 2013 USD'000	**30 June 2012 USD'000**
Other finance income:		
– realised gains on foreign currency differences	89	93
Finance costs comprised:		
– interest expense	(281)	(172)
– realised losses on foreign currency differences	(687)	(871)
– unrealised losses on foreign currency differences	(168)	(16)
	(1,136)	(1,059)
Total, net	**(1,047)**	**(966)**

22 GAIN FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS, NET

	Year ended	
	30 June 2013 USD'000	**30 June 2012 USD'000**
Financial assets at fair value through profit or loss:		
– Gains from the realisation of financial assets, net	34,753	4,571
– Unrealised gains	54,501	22,920
Total	**89,254**	**27,491**

23 OTHER INCOME

	Year ended 30 June 2013 USD'000	Year ended 30 June 2012 USD'000
Gains on disposals of investments in:		
– Associate	–	1,103
– Available-for-sale financial assets	111	–
– Assets classified as held for sale	–	7,616
Gain on the disposal of a subsidiary	–	2,139
Transfer from available-for-sale financial assets reserve on disposal of assets	9,843	–
Total gain on disposals of investments	9,954	10,858
Reversal of impairment loss	–	9,400
Consulting income	343	330
Other income	825	2,977
Total	**11,122**	**23,565**

24 SELLING, GENERAL AND ADMINISTRATION EXPENSES

	Year ended 30 June 2013 USD'000	Year ended 30 June 2012 USD'000
Management fees (Note 30(a))	15,001	14,863
Professional fees	3,550	2,478
Selling, general and administration expenses (*)	1,658	1,571
Other expenses	531	586
Total	**20,740**	**19,498**

(*) The majority of these expenses relate to operating expenses incurred by the subsidiaries of the Group.

An analysis of ongoing charges is provided in Note 28.

25 OTHER EXPENSES

	Year ended	
	30 June 2013 USD'000	**30 June 2012 USD'000**
Impairments of receivables (Note 11)	1,355	–
Impairments of other assets	1,937	9,408
Loans written off on disposals of investments in associates (Note 30(d))	3,028	–
Losses on disposals of investments in associates	667	–
Goodwill impairment (Note 5)	449	–
Others	1,891	2,214
Total	**9,327**	**11,622**

26 INCOME TAX EXPENSE

VOF is domiciled in the Cayman Islands. Under the current laws of the Cayman Islands, there is no income, state, corporation, capital gains or other taxes payable by the Company.

The majority of the Group's subsidiaries are domiciled in the British Virgin Islands (BVI) and have tax exempt status. Some of the subsidiaries are established in Singapore and have offshore operations in Vietnam. The income from these offshore operations is also tax exempt in Singapore.

A small number of subsidiaries are established in Vietnam and are subject to corporate income tax in Vietnam.

The relationship between the expected income tax expense based on the applicable income tax rate and the tax expense actually recognised in the consolidated statement of income can be reconciled as follows:

	Year ended	
	30 June 2013 USD'000	**30 June 2012 USD'000**
Profit before tax	90,724	29,132
Profit multiplied by applicable tax rate (0%)	–	–
Withholding taxes imposed on investment income	(656)	(700)
Income tax on Vietnam subsidiaries	(16)	–
Tax expenses	**(672)**	**(700)**

27 EARNINGS PER SHARE AND NET ASSET VALUE PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the net income attributable to equity shareholders of the Company from operations by the weighted average number of ordinary shares in issue during the year (excluding ordinary shares purchased by the Company and held as treasury shares (Note 16)).

	Year ended	
	30 June 2013	**30 June 2012**
Profit for the year (USD'000)	90,052	28,432
Weighted average number of ordinary shares in issue	286,648,181	321,013,954
Basic earnings per share (USD per share)	0.31	0.09

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has no category of potentially dilutive ordinary shares. Therefore, diluted earnings per share is equal to basic earnings per share.

(c) Net asset value per share

NAV per share is calculated by dividing the NAV attributable to equity shareholders of the Company by the number of outstanding ordinary shares in issue as at the reporting date (excluding ordinary shares purchased by the Company and held as treasury shares (Note 16)). NAV is determined as total assets less total liabilities.

	As at 30 June 2013	**As at 30 June 2012**
Net asset value attributable to owners of the Company (USD'000)	752,443	765,645
Number of outstanding ordinary shares on issue	261,376,271	312,535,596
Net asset value per share (USD/share)	2.88	2.45

28 ONGOING CHARGES

	Year ended	
	30 June 2013	**30 June 201**
Ongoing charges (using AIC recommended methodology)	2.13%	2.13%
Performance fee	–	–
	2.13%	**2.13%**

28 ONGOING CHARGES *(continued)*

Ongoing charges have been calculated in accordance with the Association of Investment Companies ("AIC") recommended methodology dated May 2012. It is the ratio of annualised ongoing charges over the average undiluted NAV during the year.

Ongoing charges include: management fees, directors' fees and expenses, recurring audit and tax services, custody and fund administration services, fund accounting services, secretarial services, registrars' fees, public relations fees, insurance premiums, regulatory fees and similar charges.

29 DIRECTORS' FEES AND MANAGEMENT'S REMUNERATION

The aggregate directors' fees paid during the year amounted to USD240,833 (year ended 30 June 2012: USD195,000), of which USD45,833 was outstanding as payable as at 30 June 2013 (30 June 2012: nil).

The details of remuneration by director are summarised below:

	Year ended	
	30 June 2013 USD'000	**30 June 2012 USD'000**
Steve Bates	28	–
Martin Adams	18	–
William Vanderfelt	75	75
Martin Glynn	60	60
Michael Gray	60	60
	241	**195**
Directors' fee borne by:		
– The Investment Manager (*)	79	135
– The Company	162	60
	241	**195**

(*) For periods from 1 July 2007 to 5 February 2013, the Investment Manager agreed that any fees paid in excess of USD60,000 for services rendered shall result in a corresponding reduction in the management fee paid to VinaCapital Investment Management Limited, the Investment Manager.

30 RELATED PARTIES

(a) Management fees

The Group was managed by VinaCapital Investment Management Limited (the "BVI Investment Manager"), a company incorporated in the British Virgin Islands ("BVI"), under a management agreement dated 24 September 2003 (the "Management Agreement"). From 1 January 2011, the Group was managed by VinaCapital Investment Management Limited (the "Investment Manager"), a 100% owned subsidiary company of the BVI Investment Manager incorporated and registered as a licensed fund manager in the Cayman Islands, under the novation agreement between the BVI Investment Manager and the Investment Manager. During the year the Investment Manager received a fee based on the NAV of the Group, payable monthly in arrears, at an annual rate of 2 percent (30 June 2012: 2 percent).

Total management fees for the year amounted to USD15.0 million (30 June 2012: USD14.9 million), with USD1.2 million (30 June 2012: USD1.2 million) in the balance payable to the Investment Manager at the reporting date.

(b) Performance fees

During the year the Investment Manager was also entitled to a performance fee equal to 20 percent of the realised returns over an annualised compounding hurdle rate of 8 percent. There was no performance fee payable for the years ended 30 June 2013 and 30 June 2012.

Details of the new management fee and performance fee arrangements under the Amended and Restated Investment Management Agreement, effective from 1 July 2013, are set out in Note 32 to the financial statements, on page 32.

(c) Other balances with related parties

	30 June 2013 USD'000	30 June 2012 USD'000
Payments on behalf of a fund under common Investment Manager	1,586	1,702
Payment on behalf of Investment Manager	473	–
Receivable from associates	–	1,239
	2,059	**2,941**
Payable to Investment Manager	(1,199)	(1,190)
Payable to a fund under common Investment Manager	(957)	(969)
	(2,156)	**(2,159)**

30 RELATED PARTIES *(continued)*

(d) Loans to related parties

	30 June 2013 USD'000	30 June 2012 USD'000
Long-term loans to:		
– Associates under common management (*) (Note 6)	35,124	35,733
– An associate	1,325	–
Total long-term loans to related parties	36,449	35,733
Short-term loans to:		
– Current portion of long-term loan to an associate	568	3,845
– Other related parties	6,933	6,926
Total short-term loans to related parties	7,501	10,771
Total loans to related parties	**43,950**	**46,504**

(*) Associates under common management refer to associates which have joint investments in real estate projects with VinaLand Limited, another fund managed by VinaCapital Investment Management Limited. These loans form part of the Group's net investment in the associates as settlements are not planned.

30 **RELATED PARTIES** *(continued)*

(d) **Loans to related parties** *(continued)*

The movement of loans to related parties during the year is as follow:

	30 June 2013 USD'000	30 June 2012 USD'000
Opening balance	46,504	61,443
Loans advanced	1,779	1,259
Loan repayments received	(1,514)	(875)
Disposals	(3,028)	–
Reclassifications	–	(2,527)
Loans converted to equity shares	–	(12,550)
Interest charged	724	874
Interest received	(431)	(649)
Impairment of loan receivables	(84)	(471)
Closing balance	**43,950**	**46,504**

The long-term loan to an associate is secured by way of shares of an entity listed on the Vietnam stock exchange. The loan bears interest at the rate of 15.0 percent per annum and has a minimum repayment term of USD0.6 million annually.

The short-term loans to other related parties have prepayment terms within a 12 months period, they are unsecured and carry interest at rates ranging from 1.5 percent to 15.0 percent per annum (30 June 2012: 1.5 percent to 15.0 percent per annum).

No provision is required at 30 June 2013 (30 June 2012: nil) for loans to related parties.

31 FINANCIAL RISK FACTOR

The Group invests in listed and unlisted equity instruments, debt instruments, assets and other opportunities in Vietnam and overseas with the objective of achieving medium to long-term capital appreciation and providing investment income.

The Group is exposed to a variety of financial risks: market risk (including currency risk, interest rate risk, and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potentially adverse effects on the Group's financial performance. The Group's risk management is coordinated by the Investment Manager who manages the distribution of the assets to achieve the investment objectives.

The most significant financial risks the Group is exposed to are described below:

(a) Market risk analysis

Foreign currency risk sensitivity

The Group's exposure to risk resulting from changes in foreign currency exchange rates is moderate as although transactions in Vietnam are settled in the Vietnam Dong (VND), the value of the VND has historically been closely linked to that of the USD, the reporting currency.

The Group has not entered into any hedging mechanism as the estimated benefits of available instruments outweigh their costs. On an ongoing basis the Investment Manager analyses the current economic environment and expected future conditions and decides the optimal currency mix considering the risk of currency fluctuation, interest rate return differentials and transaction costs. The Investment Manager updates the Board regularly and reports on any significant changes for further actions to be taken.

Foreign exchange risk

As at 30 June 2013 and 2012, the Group has foreign currency exposure mainly arising from holding cash and cash equivalents which is not denominated in its functional currency. As the reporting date, had the VND weakened/strengthened by 5 percent in relation to USD, with all other variables held constant, there would be a net exchange loss/profit from the financial assets and liabilities denominated in VND (Note 9) of USD28.4 million (30 June 2012: USD23.3 million).

31 FINANCIAL RISK FACTOR *(continued)*

(a) Market risk analysis *(continued)*

Price risk

Price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer, or factors affecting all instruments traded in the market.

The Group invests in listed and unlisted equity securities and is exposed to market price risk of these securities due to the uncertainties about future values of the investment securities.

The majority of the Group's equity investments are publicly traded on the Vietnam stock exchanges, resulting in a concentration of price risk as the value of the equity investments of the Group are particularly heavily dependent on the performance of the Vietnamese stock exchanges.

As at 30 June 2013, the value of the holding in the equity of Vinamilk was 15.3 percent of the NAV of the Group (30 June 2012: 7.5 percent). The Group has no other concentration in individual equity positions exceeding 10 percent of the Group's net assets.

All securities investments present a risk of loss of capital. The Investment Manager manages this risk through the careful selection of securities and other financial instruments within specified limits and by holding a diversified portfolio of listed and unlisted instruments. In addition, the performance of investments held by the Group is monitored by the Investment Manager on a monthly basis and reviewed by the Board of Directors on a quarterly basis.

If the prices of the securities were to fluctuate by 10 percent, the impact on the NAV of the Group would be a gain/loss of USD44.0 million (30 June 2012: approximately gain/loss of USD39.4 million).

Cash flow and fair value interest rate risk

The Group's exposure to interest rate risk is related to interest bearing financial assets and financial liabilities. Cash and cash equivalents and bonds are subject to interest at fixed rates. They are exposed to fair value changes due to interest rate changes. The Group has no significant financial liabilities with floating interest rates. As a result, the Group has limited exposure to cash flow and interest rate risk.

(b) Credit risk analysis

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. Impairment provisions are provided for losses that have been incurred by the Group at the reporting date.

The Investment Manager maintains a list of approved banks for holding deposits and set aggregate limits for deposits or exposures to individual banks. While this list is formally reviewed at least monthly, it is updated to reflect developments in the market on a timely basis as information becomes available.

31 FINANCIAL RISK FACTOR *(continued)*

(b) Credit risk analysis *(continued)*

All transactions in listed securities are settled upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment. Payment is made for purchases once the securities have been received by the broker. The trade will be unwound if either party fails to meet its obligations.

The clearing and depository operations for the Group's security transactions are mainly concentrated with one prime custodian, namely HSBC Limited which had a Standard & Poor's ('S&P') rating of short term A-1+, long term AA- and outlook stable at as 30 June 2013. At 30 June 2013, substantially all investments in capital markets are placed in custody with HSBC Limited which may expose to credit risk associated with the custodian.

The carrying amount of trade and other receivables, loan receivables and available-for-sale financial assets represent the Group's maximum exposure to credit risk in relation to its financial assets.

No credit limits were exceeded during the reporting period other than those fully impaired as disclosed in Note 11 and management does not expect any losses from non-performance by these counterparties.

In accordance with the Group's policies, the Investment Manager continuously monitors the Group's credit position, identified either individually or by group, and incorporates this information into its credit controls.

The Group's investment manager reconsiders the valuations of financial assets that are impaired or overdue at each reporting date based on the payment status of the counterparties, recoverability of receivables, and prevailing market conditions.

The Group's exposure to credit risk is limited to the carrying amounts of financial assets recognised at the reporting date, as summarised below:

	30 June 2013 USD'000	30 June 2012 USD'000
Classes of financial assets – carrying amounts:		
Long-term loan included in interest in associates	35,124	35,733
Long-term loan to an associate	1,325	–
Short-term loan to related parties	7,501	10,771
Trade and other receivables	17,918	14,611
Financial assets at fair value through profit or loss	22,449	25,912
Cash and cash equivalents	53,392	42,209
	137,709	**129,236**
Allowance for impairment	**(5,101)**	**(3,746)**

31 FINANCIAL RISK FACTOR *(continued)*

(b) Credit risk analysis *(continued)*

Total allowances of USD5.1 million (30 June 2012: USD3.7 million) had been provided for balances that the Group expected to be uncollectible or impaired. These are for receivables in Note 11.

Cash and cash equivalents and short-term investments are held at banks and financial institutions which do not have histories of default.

Of the USD53.4 million cash and cash equivalents as at 30 June 2013, USD27.9 million were deposited with banks that have a Standard and Poors ('S&P') rating of AA- at the reporting date. Another USD18.6 million was deposited with banks that have S&P ratings of between B+ and BB- at the reporting date. The remaining USD6.9 million of the cash and cash equivalents was held with banks that have no credit rating by any rating agencies.

The Group has no other significant concentrations of credit risk.

(c) Liquidity risk analysis

The Group invests in both listed securities that are traded in active markets and unlisted securities that are not actively traded.

The Group's listed securities are considered to be readily realisable, as they are mainly listed on the Vietnam Stock Exchanges. However from time to time the lack of liquidity in the market can lead to delays selling shares, which in turn, could impact the price realised if the shares need to be sold quickly.

Unlisted securities, which are not traded in an organised public market, may be illiquid. As a result, the Group may not be able to quickly liquidate its investments in these instruments at an amount close to fair value in order to respond to its liquidity requirements or to other specific events such as deterioration in the creditworthiness of a particular issuer.

As at the reporting date, the Group's contractual financial liabilities as shown in the consolidated balance sheet as current is repayable with six months (30 June 2012: six months) from the balance sheet date. The long-term contractual financial liability is not material to the Group.

(d) Capital management

The Group's capital management objectives are to achieve capital growth and ensure the Group's ability to continue as a going concern.

The Group considers the capital to be managed as equal to the net assets attributable to the holders of ordinary shares. The Group is not subject to any externally imposed capital requirements. The Group has engaged the Investment Manager to allocate the net assets in such a way so as to generate investment returns that are commensurate with the investment objectives outlined in the Group's offering documents.

31 FINANCIAL RISK FACTOR *(continued)*

(e) Fair value estimation

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

- 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 (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

There are no financial liabilities of the Group which were measured using the fair valuation method as at 30 June 2013 and 30 June 2012.

The level within which the financial asset is classified is determined based on the lowest level of significant input to the fair value measurement.

The financial assets measured at fair value in the consolidated balance sheets are grouped into the fair value hierarchy as follows:

	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
As at 30 June 2013				
Financial assets at fair value through profit or loss in Vietnam:				
– Ordinary shares – listed	350,694	5,744	–	**356,438**
– Ordinary shares – unlisted	4,697	66,871	5,180	**76,748**
– Corporate bonds	–	–	–	**–**
– Government bonds	17,752	–	–	**17,752**
Financial assets in countries other than Vietnam:				
– Ordinary shares – listed	21,521	–	–	**21,521**
Available-for-sale financial assets:				
– Private equity investments	8,700	–	5,784	**14,484**
	403,364	72,615	10,964	**486,943**

31 FINANCIAL RISK FACTOR *(continued)*

(e) Fair value estimation *(continued)*

	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
As at 30 June 2012				
Financial assets at fair value through profit or loss in Vietnam:				
– Ordinary shares – listed	297,074	–	–	**297,074**
– Ordinary shares – unlisted	–	65,040	13,934	**78,974**
– Corporate bonds	–	8,500	–	**8,500**
– Government bonds	17,412	–	–	**17,412**
Financial assets in countries other than Vietnam:				
– Ordinary shares – listed	23,321	–	–	**23,321**
Available-for-sale financial assets:				
– Private equity investments	28,450	–	6,111	**34,561**
	366,257	73,540	20,045	**459,842**

During the year ended 30 June 2013, the Company transferred two equities that are listed on a stock exchange but thinly traded from level 1 to level 2 (year ended 30 June 2012: no transfers between levels of fair value hierarchy). There were also no reclassifications of financial assets in the current year and or the prior year.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from the exchange, dealer and broke, and those princes represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise the Vietnam stock exchanges equity investments classified as trading securities or available for sale. The level 1 fair value may also include committed prices at the balance sheet date to sell the unlisted equity instrument.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based observables market data, the instrument is included in Level 3.

31 FINANCIAL RISK FACTOR *(continued)*

(e) Fair value estimation *(continued)*

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

The following table presents the changes in Level 3 financial assets:

	Year ended	
	30 June 2013 USD'000	**30 June 2012 USD'000**
Opening balance	20,045	30,857
Transfers out of Level 3	(14,261)	(28,450)
Purchases of available-for-sale financial assets (Note 8)	–	2,223
Transferred from/(to) assets held for sales/interest in associate	4,900	(8,165)
Gain recognised in income statement (Note 21)	280	9,400
Gain recognised in available-for-sale investment reserve	–	14,180
Closing balance	**10,964**	**20,045**
Total gains for the year included in:		
– Income statement	280	9,400
– Other comprehensive income	–	14,180
	280	**23,580**

Due to numerous uncertainties regarding the future development of these investees, the fair value of the Group's equity interest in these level 3 instruments cannot be reliably measured and therefore have been stated at cost less impairment charges. However, management believes the changing inputs to the Level 3 valuation to a reasonable possible alternative assumption would not change significant amounts recognised in profit or loss, total assets, total liabilities or total equity.

32 EVENTS AFTER THE REPORTING PERIOD

Extraordinary General Meeting and continuation of the Company
The Board convened an Extraordinary General Meeting on 22 July 2013 to consider the Company's future. This was to satisfy the commitment set out in the Admission Document that every five years the shareholders shall have the opportunity to consider the future of the Company and whether it should continue for a further five year period.

The Board recommended that shareholders vote against the Resolution "that the Company cease to continue as currently constituted", thus ensuring that the Company will continue for a further five years. The Board also recommended certain changes to be made in the Amended and Restated Investment Management Agreement, in particular the annual management and incentive fee arrangements with the Investment Manager, which were conditional upon shareholders approving the continuation of the Company for a further five years. Those proposals were set out in a circular distributed to shareholders on 24 June 2013 and available through the Regulatory News Service ("RNS") of the London Stock Exchange. The proposals were supported by shareholders on 22 July 2013. As a result the following the changes will financially impact the Company going forward:

The Company and the Investment Manager have entered into the Amended and Restated Investment Management Agreement which makes changes to, amongst other things, the fees payable to the Investment Manager.

Management Fee
Under the former investment management agreement, the Investment Manager was paid a fee equal to 2 percent per annum of the NAV of the Group. From 1 July 2013, the investment management fee has been reduced to 1.5 percent per annum of the NAV of the Group, payable monthly in arrears.

Incentive Fees
Under the former investment management agreement, the Investment Manager was paid an incentive fee equal to 20 percent of the performance over an 8 percent hurdle rate. From 1 July 2013, the level of incentive fee will be reduced to 15 percent per annum.

For the purposes of calculating incentive fees, the net assets will be segregated into the Direct Real Estate Portfolio and the Capital Markets Portfolio. A separate incentive fee will be calculated and will operate independently for each portfolio so that for any financial year it will be possible for an incentive fee to become payable in relation to one, both or neither portfolio depending upon the performance of each portfolio.

SECTION 4

NOTICE OF 2013 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the VinaCapital Vietnam Opportunity Fund Limited will be held at 2p.m. local time on 28 November 2013 at Constaffelsaal at Haus zum Rueden, Limmatquai 42, 8001 Zurich for the purpose of considering and, if thought fit, passing the following resolutions which, as to resolutions 1 to 8, will be proposed as ordinary resolutions and as to resolutions 9 and 10 as special resolutions:

Resolution 1 – ordinary resolution To receive and adopt the Financial Statements for the year ended 30 June 2013, with the Reports of the Directors and Auditors thereon.

Resolution 2 – ordinary resolution To re-elect Mr Steven Bates as a Director of the Company.

Resolution 3 – ordinary resolution To re-elect Mr Martin Adams as a Director of the Company.

Resolution 4 – ordinary resolution To re-elect Mr Martin Glynn as a Director of the Company.

Resolution 5 – ordinary resolution To re-elect Mr Michael Gray as a Director of the Company.

Resolution 6 – ordinary resolution To re-elect Mr Don Lam as a Director of the Company.

Resolution 7 – ordinary resolution To re-appoint PricewaterhouseCoopers (Hong Kong) as independent auditor to the Company and to authorise the Directors to determine their remuneration.

Resolution 8 – ordinary resolution THAT the aggregate cap on the total remuneration paid to the Directors as a group in respect of any 12-month period (as referenced in Article 125 of the Company's Articles of Association) be and is hereby increased to USD500,000.

Resolution 9 – special resolution THAT Article 57 of the Company's Articles of Association be and is hereby amended by the deletion of the words "twenty five per cent." and their replacement with the words "ten per cent."

Resolution 10 – special resolution THAT Article 151 of the Company's Articles of Association be and is hereby deleted in its entirety and replaced with the following:

(1) Subject to paragraph (2) of this Article, the Company may:

(a) indemnify, out of the assets of the Company, to any extent any person who is or was a director of the Company (each an "Indemnified Person"), directly or indirectly (including by funding any expenditure incurred or to be incurred by him) against any loss or liability, other than such liability (if any) that they may incur by reason of their own actual fraud, wilful default or Gross Negligence, in relation to the Company; and/or

Resolution 10 – special resolution (continued)

(b) provide funds to meet any expenditure incurred or to be incurred by any Indemnified Person in defending any criminal or civil proceeding in which he is involved by reason of his office, or in defending himself in an investigation, or action proposed to be taken, by a regulatory authority in connection with his office, or in order to enable him to avoid incurring such expenditure. In connection with any advance of any funds hereunder, the Indemnified Person shall execute an undertaking to repay the advanced amount to the Company if it shall be determined by final judgment or other final adjudication that such Indemnified Person was not entitled to indemnification pursuant to this Article. If it shall be determined by a judgment or other adjudication that such Indemnified Person was not entitled to indemnification with respect to such judgment, costs or expenses, then such party shall not be indemnified with respect to such judgment, costs or expenses and any advancement shall be returned to the Company (without interest) by the Indemnified Person; and/or

(c) purchase and maintain insurance for any Indemnified Person, against any loss or liability or any expenditure he may incur, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise, in relation to the Company.

(2) This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of applicable law.

Dated: 25 October 2013

By Order of the Board

HSBC Institutional Trust Services (Singapore) Limited
20 Pasir Panjang Road (East Lobby)
#12-21 Mapletree Business City
Singapore 117439

Administrator's delegate

Registered Office:
PO Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

NOTES:

1. *A shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him or her. A proxy need not be a member of the Company. A Form of Proxy is enclosed with this notice. Completion and return of the Form of Proxy will not preclude shareholders from attending or voting at the meeting, if they so wish.*

2. *To be valid, the Form of Proxy, together with the power of attorney or other authority, if any, under which it is executed (or a notarially certified copy of such power of attorney) must be deposited with:*

   HSBC Institutional Trust Services (Singapore) Limited
   20 Pasir Panjang Road (East Lobby)
   #12-21 Mapletree Business City
   Singapore 117439

   Attn: Emily Siah

   or

   by fax on
   + (65) 6535 5244

   Attn: Emily Siah

   by no later than 6p.m. (Singapore time) on 26 November 2013

3. *A holder of ordinary shares (or the beneficial title thereto) must first have his or her name entered on the Register (or where ordinary shares are held in Euroclear or Clearstream otherwise be beneficially entitled to such ordinary shares by) not later than 1p.m. (UK time) on 26 November 2013. Changes to entries in that Register after that time shall be disregarded in determining the rights of any holders to attend and vote at such meeting (or to provide voting instructions to the relevant Euroclear or Clearstream nominee).*

4. *Shareholders who wish to attend the AGM in person should follow normal Euroclear and/or Clearstream procedures.*

SECTION 5

INVESTING POLICY

Investment objectives

VinaCapital Vietnam Opportunity Fund Limited ("VOF" or "the Company") is a closed-end investment company incorporated in the Cayman Islands with the primary objective of achieving medium to long-term (3-5 years) capital appreciation and providing an attractive level of income, dividends and other distributions through investment in listed and unlisted companies, debt, private equity, real estate and other investment opportunities in Vietnam (primarily) and surrounding Asian countries Cambodia, Laos and Southern China.

Investment Manager

VOF is managed by VCIM, a Cayman Islands company. VCIM was established in 2008 and manages a number of listed and unlisted investment companies.

Investing policy

The Company will adhere to the following investment policies:

Type of investment

Investments will be made in comparatively undervalued assets with the potential for value enhancement and realisation, for instance in listed and OTC securities, expansion capital for early and mid-stage companies, listed funds, distressed assets, NPL portfolios and Vietnamese assets of distressed overseas investors. The Company will engage in all forms of investment as allowed under the laws of each jurisdiction in which it operates, including but not limited to, listed and non-listed equity, debt, convertible loans, other assets, and other instruments and structures that may be suitable to allow participation in selected investment opportunities.

Geographical focus

At least 70 percent of the Company's gross assets will be invested in Vietnam or related to entities in other countries having substantial assets, liabilities, operations, revenues or income derived from Vietnam. Up to a maximum of 30 percent of the gross assets of the Company may also be invested in neighbouring Asian countries (namely China, Cambodia and Laos), should the Directors consider that such investments offer potentially attractive returns or portfolio diversification.

Sector focus

Investment will primarily be made in key growth sectors of the economy as Vietnam modernises and domestic consumer demand develops with rising income levels, including retail and consumer goods, financial services, property and construction materials. The secondary focus will be on other expanding sectors such as tourism, manufacturing, infrastructure and export sectors where Vietnam has a comparative advantage.

Investment criteria
Key investment criteria will include:

- For investment in growth businesses, full use will be made of the established stock selection and analytical skills of the Investment Manager and its advisers and the broad experience of the Directors to select enterprises which, in their opinion, have sound products and good growth prospects.
- The Company will seek to identify businesses with a record of profit growth, with strong and motivated management teams who have adopted proven business models and which have the realistic potential of exit through trade sale, listing in Vietnam or in another country.
- The Investment Manager will utilise its extensive sourcing capabilities in real estate investment and expertise in property development to selectively invest in projects to capitalise on ongoing demand/supply imbalances in the property sector.
- The Directors in conjunction with the Investment Manager will also aim to achieve a balance in its exposure to different sectors. Furthermore, no single investment may at the time of investment exceed 20 percent of the NAV of the Company.

It is the intention of the Company to be active in the development of a thoroughly researched and carefully selected portfolio of investments. The Directors intend that the portfolio will be developed in such a way as to take, where practicable, relatively large stakes in those enterprises which have met the Investment Manager's criteria.

Exit strategy
The Company is a publicly listed investment company on the London Stock Exchange's AIM Market. Investors are free to purchase and sell shares whenever they please. Concerning portfolio investments, the Company will aim to realise individual investments when the Board believes the realisation would be in the best interests of the Company, ideally within a five-year time frame.

Cross holdings
The Company may from time to time invest in listed shares of other closed-ended funds focused on Vietnam by selectively acquiring shares of such funds where the shares are currently trading at prices below the intrinsic value of the funds' underlying assets. This includes among others, shares in VNL (AIM: VNL) and Vietnam Infrastructure Limited (AIM: VNI), closed-ended investment companies admitted to trading on the AIM market of the London Stock Exchange plc and also managed by VCIM. In such cases, VOF will enter into irrevocable arrangements with an independent third party broker to specifically purchase on its behalf and within certain pre-set parameters, ordinary shares in VNL and VNI. VOF intends to acquire and hold shares of VNL and VNI via such arrangements on a rolling basis. Furthermore, only the Independent Directors of the VOF Board shall be authorised to provide instructions to the Independent Broker and to vote on behalf of VOF at any VNL and VNI shareholder meetings. VOF may waive its right of first refusal to take up to a 25 percent direct stake in new VNL projects. In addition, VCIM rebates to VOF the management fees earned that correspond to the portion of VOF's holding in VNL and VNI.

Leverage
The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures, debenture stock, mortgages, bonds and other such securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

Other information
The Company will adhere to the above investment policies, in the absence of unforeseen circumstances, unless these are changed by a shareholders' resolution. Such changes may be prompted by changes in Government policies or economic conditions which change or introduce additional investment opportunities.

Cash pending investment, reinvestment or distribution will be placed in bank deposits, bonds or treasury securities, for the purpose of protecting the capital value of the Company's cash assets.

In order to hedge against interest rate risks or currency risk, the Company may also enter into forward interest rate agreements, forward currency agreements, interest rates and bond futures contracts and interest rate swaps and purchase and write (sell) put or call options on interest rates and put or call options on futures on interest rates.

Valuation policy
The NAV per share is calculated (and rounded to two decimal places), in US dollars by the Administrator (or such other person as the Directors may appoint for such purpose from time to time) on a monthly basis (or at such other times as the Investment Manager may determine but in any event at least quarterly). The NAV shall be the value of all assets of the Company less the liabilities of the Company determined in accordance with the valuation guidelines adopted by the Directors from time to time. Under current valuation guidelines adopted by the Directors, such values shall be determined as follows:

The value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet, received shall be deemed to be the full amount thereof, unless in any case the Directors shall have determined that the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Directors may consider appropriate in such case to reflect the true value thereof;

The value of securities which are quoted or dealt in on any stock exchange (including any securities traded on an "over the counter market") shall be based on the last traded prices on such stock exchange, or if there is more than one stock exchange on which the securities are traded or admitted for trading, that which is normally the principal stock exchange for such security, provided that any such securities which are not freely transferable, or which are not regularly traded, or which for any other reason are subject to limited marketability, shall be valued at a discount (the amount of such discount being determined by the Directors in their absolute discretion or in a manner so approved by the Directors);

As regards unquoted securities:

- Unquoted investments will initially be valued at cost price, which will include any expenses relating to their acquisition;
- A revaluation of unquoted investments to a value in excess of or below cost may be made in the circumstances provided by and in accordance with the guidelines issued by the British Investment Fund Association or any successor body;
- All other assets and liabilities shall be valued at their respective fair values as determined in good faith by the Directors and in accordance with generally accepted valuation principles and procedures;

Any value other than in USD translated at any officially set exchange rate or appropriate spot market rate as the Directors deem appropriate in the circumstances having regard, inter alia, to any premium or discount which may be relevant and to costs of exchange. If the Directors consider that any of the above bases of valuation are inappropriate in any particular case or generally, they may adopt such other valuation or valuation procedure as they consider is reasonable in the circumstances provided that such other valuation or valuation procedure has been approved by the Company's auditors. The Directors may delegate to the Investment Manager any of their discretions under the valuation guidelines.

HISTORICAL FINANCIAL INFORMATION

Years ended 30 June	2008	2009	2010	2011	2012	2013
Statement of Income (USD'000)						
Total income from ordinary activities	(381,067)	29,075	134,263	(8,420)	54,556	120,750
Total expenses from ordinary activities	(34,465)	(25,869)	(29,047)	(27,214)	(25,424)	(29,515)
Operating profit before income tax	(415,532)	3,206	105,216	(35,634)	29,132	90,724
Income tax expense	(125)	(108)	211	545	700	672
Profit for the year	(415,657)	3,098	105,005	(36,179)	28,432	90,052
Minority interests	1,347	(3,684)	311	106	0	(202)
Profit attributable to ordinary equity holders	(417,004)	6,782	104,694	(36,285)	28,432	90,254
Statement of financial position (USD'000)						
Total assets	723,614	718,023	793,820	764,603	775,455	771,843
Total liabilities	54,727	36,111	11,319	12,697	9,810	19,400
Net assets	668,877	681,912	782,501	751,906	765,645	752,443
Share information						
Basic earnings per share (cents per share)	(141)	2	32	(11)	9	31
Share price as 30 June	2.16	1.43	1.40	1.57	1.50	2.13
Ordinary share capital (thousand shares)	324,610	324,610	324,610	324,610	312,536	261,731
Market capitalization at 30 June (USD'000)	699,535	462,569	455,428	509,313	468,803	556,731
Net asset value per ordinary share (USD)	2.06	2.10	2.41	2.32	2.45	2.88
Ratio						
Return on average ordinary shareholder's funds	(67.8%)	1.1%	17.0%	(6.0%)	4.0%	14.8%
Total expense ratio (% of NAV)	2.18%	2.24%	2.16%	2.13%	2.13%	2.13%

OVERVIEW AND ADVISERS

Fund size
USD752.4 million (NAV as of 30 June 2013)

Fund launch
30 September 2003

Term of fund
Five years and then subject to shareholder vote to discontinue

Fund domicile
Cayman Islands

Legal form
Exempted Company limited by shares

Structure
Single class of ordinary shares trading on the AIM market of the London Stock Exchange plc

Auditor
PricewaterhouseCoopers (Hong Kong)

Nominated advisor
(Nomad) Grant Thornton Corporate Finance (UK)

Custodian
HSBC Trustee (HK)

Brokers
Edmond de Rothschild (UK), Numis Securities (UK)

Lawyers
Lawrence Graham (UK), Maples and Calder (Cayman Islands)

Base and incentive fee
Base fee of 1.5 percent of NAV. Incentive fees are based on two separate pools of investments: direct real estate and all other investments. The incentive fee paid equates to 15 percent of the increase in the NAV of each pool during the year over a hurdle of 8 percent. The total amount of incentive fees paid in any one year is capped at 1.5 percent of the pool's NAV.

Investment Manager
VinaCapital Investment Management Limited

Investment policy
Medium to long-term capital gains with some recurring income and short-term profit taking. Primary investment focus areas are: Privately negotiated equity investments; Undervalued/distressed assets; Privatisation of state-owned enterprises; Real estate; and Private placements into listed and OTC-traded companies.

Investment focus by geography
Greater Indochina comprising: Vietnam (minimum of 70 percent), Cambodia, Laos, and southern China.

Registered office
PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

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13 Hai Ba Trung Street,
Hoan Kiem Dist., Hanoi, Vietnam
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Singapore 038986
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Fax: +65 6333 9081

VinaCapital

PART B

ANNUAL REPORT AND ACCOUNTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

VinaCapital Vietnam Opportunity Fund Limited
Annual Report 2014

VinaCapital

CONTENTS

Front Cover – Investee Company: Hoa Phat Group (HPG)

SECTION 1

FINANCIAL HIGHLIGHTS FOR THE FISCAL YEAR 2014

VinaCapital Vietnam Opportunity Fund Limited (“VOF” or “the Company”) Net Asset Value (“NAV”) per share increased by 13.6 per cent to USD3.27, while the Company’s share price rose by 17.7 per cent to USD2.50, from the same period a year ago. The Company’s share price discount to NAV contracted to 23.5 per cent as at 30 June 2014, from 26.0 per cent a year ago.

The stock market index of Vietnam (“VN Index”) continues to outperform regional peers, having increased by 20.4 per cent in USD terms over calendar year 2013, and a further 13.4 per cent year to 30 June 2014, underpinned by a combination of low inflation and a stable foreign exchange rate. During the fiscal year, the value of the capital markets component of VOF’s portfolio increased by 24.3 per cent, mainly attributable to listed investee companies; Hoa Phat Group (HPG), PetroVietnam Drilling (PVD), and Kinh Do Corporation (KDC) which increased by 103, 63 and 31 per cent, respectively.

Performance summary	30 June 2014	% Change	30 June 2013	% Change	30 June 2012
NAV per share (USD)	3.27	13.6%	2.88	17.6%	2.45
Share price (USD)	2.50	17.7%	2.13	43.9%	1.50
Discount	23.5%		26.0%		38.8%

Throughout the financial year, VOF continued the ongoing share buyback programme in order to return capital to shareholders and narrow the discount rate. During the twelve month period ended 30 June 2014, VOF spent USD52.3 million to repurchase 23.1 million shares. Since the commencement of the share buyback programme on 25 October 2011, VOF has repurchased 86.4 million shares, representing 26.6 per cent of the total shares then in issue. Both the Board and the Investment Manager believe that this ongoing share buyback programme can be a method of distributing capital to shareholders and narrowing the discount of the Company’s share price to its NAV per share.

Net asset value at 30 June 2014

$779.0m

NAV per share at 30 June 2014

$3.27

Increase in NAV per share

13.6%

CHAIRMAN'S STATEMENT

Steven Bates
Chairman

"On balance, it has been a relatively good year to be invested in Vietnamese assets."

Dear Shareholder,

This is my second annual statement to you as Chairman of VinaCapital Vietnam Opportunity Fund Limited ("VOF" or the "Company"). Last year I set out in some detail the various issues facing VOF and I want to take this opportunity to update you. The financial year ending 30 June 2014 has been something of a 'Curate's Egg', that is to say an amalgam of good and bad. Returns have been good, on the whole, the investment strategy moves along, our corporate governance agenda has advanced, but the movement on the discount has, frankly, been disappointing. I will turn to each of these issues in turn, and intend to be briefer than I was last year.

Returns

A year ago, markets found themselves having to adjust to the prospect of the U.S. Federal Reserve beginning to withdraw the monetary stimulus which has been part of the financial landscape since 2009 (known as 'tapering'). This process hit emerging markets quite hard and investors lost interest in the asset class. At the beginning of 2014, this effect seemed to have run its course, and emerging markets, including Vietnam, set off at a fair clip, only to run into headwinds caused by the political spat with China.

On balance, though, it has been a relatively good year to be invested in Vietnamese assets. The Net Asset Value ("NAV") per share of your Company rose by 13.6 per cent in U.S. dollar (USD) terms, a result which reflects a particularly strong performance from the 57.7 per cent of the portfolio which is invested in listed equities and the 9.5 per cent in so called over-the-counter ("OTC") traded equities, some of which are going through the privatisation process. This combined 67.1 per cent capital markets proportion of the NAV generated a return of 24.3 per cent, well ahead of the Vietnamese Index, which returned 19.2 per cent in USD terms. Whereas last year, VOF's large position in Vinamilk was the largest single contributor to equity returns, this year, a number of companies contributed. VinaCapital Investment Management Limited, the Investment Manager, comments in more detail on these in his report, but I would highlight Hoa Phat Group (HPG, a steel company), Kinh Do Corporation (KDC, a bakery and confectionery business), Hau Giang Pharma Corp (DHG, a pharmaceutical company) and An Giang Plant Protection (AGPP, a distributor and manufacturer of crop protection chemicals). This last investment was sold after the year end at an excellent price, generating proceeds of USD63.1 million in cash, or VND85,000 per share, representing an IRR of 23.7 per cent over an investment holding period of five years.

The 15.3 per cent share of the portfolio invested in direct real estate, by contrast, slipped by 6.5 per cent in value, as a result of divestments and downward adjustments to valuations by VOF's Audit and Valuation Committee ("AVC"), whose activities are spelt out in more detail on page 48 of this annual report. There have been some signs of stabilisation in the prices of real estate assets, and your Investment Manager feels that the worst of the decline over recent years is now behind us. You may recall that part of the strategy for VOF is to reduce the weighting in direct real estate projects, most of which are held through joint ventures with VinaLand, another investment company managed by the Investment Manager. In pursuit of this goal, VOF has sold its share in one project over the past year, raising USD5.4 million, and we are hopeful of further sales of real estate projects in the next twelve months.

In addition to its direct real estate holdings, VOF also has 9.1 per cent of its assets invested in the hospitality industry, the vast bulk of which is represented by our 50.0 per cent ownership interest in The Sofitel Legend Metropole Hotel in Hanoi. This year, operating conditions at that hotel have been weaker than expected but slightly better than the previous year. Revenue per available room is slightly higher, albeit occupancy rates are down. Gross operating profit, our key measure, was up very slightly over the previous year. After the end of the fiscal year, we sold the Movenpick Hanoi, one of the hospitality assets, for USD5.7 million, compared to its carrying value of USD2.7 million. There was almost no change in the valuation of the hospitality assets of the portfolio during the year.

The private equity share in the portfolio has shrunk to 2.5 per cent following a number of exits in recent years. The Investment Manager has a good pipeline of potential private equity transactions, but closing deals in a frontier market is never straightforward. The Investment Manager is optimistic, though, that a small number of new investments in this area will be made in the year ahead. The valuation of this part of the portfolio was little changed during the course of the year.

Investment Strategy
I thought I would simply reiterate what I said at the half year stage. Strategies are long term animals and should not be altered lightly. We have seen nothing in the past six months to cause us to change direction, although discussions around these topics are constant and vigorous:

1. We intend to reduce our exposure to direct real estate. We are not a real estate developer and would prefer over time to invest in the sector through conventional listed securities, private equity and OTC stocks.

2. We intend to increase the weighting to the so called OTC assets. These are dependent on the rate of privatisation (known as equitisation in Vietnam). It is thought that after a fallow period, activity here will pick up. Our approach to private equity investments remains opportunistic and sensitive to value.

3. We will maintain a large weighting to listed securities but will be sensitive to the level of valuation and to any foreign premia which can be captured. The foreign premium results from the fact that the listed shares of certain companies have exhausted their foreign limit and when this quota is full, foreign owners of such shares are often able to demand a premium for those holdings given the scarcity value. This premium is not reflected in our NAV. In any event, valuation is likely to be reflected in the mix of holdings rather than in large swings in the percentage allocation to the asset class. The Investment Manager has recently hired a senior investment professional with good experience in the market to oversee this part of the portfolio.

Your Board accepts that VOF offers a well-diversified exposure to the Vietnamese investment opportunity and that brings with it both advantages and disadvantages. In particular, it allows considerable flexibility in the type of asset we can own, and this in turn allows the Investment Manager to focus on where the valuations and return prospects are most attractive. The corollary, though, is that these assets can be illiquid or lack transparent pricing sources. Conditions will no doubt change as the capital markets develop, but for now investors in VOF should expect to see a continuation of this diversified approach, even where the weightings between the available asset categories are changing.

Corporate Matters

One of your Board’s primary responsibilities is to ensure that VOF is well governed. To this end, we introduced at last year’s Annual General Meeting (“AGM”) certain measures to increase the rights of shareholders and to increase the detail of our reporting to you. This year, we will hold our second AGM. This will take place on the 26 November 2014 in Singapore and all shareholders are welcome to attend. The agenda will be less controversial as there are no changes envisaged to our corporate governance arrangements. There are, however, certain matters to which I would like to draw your attention:

1. **Directorate.** During the year, we appointed Thuy Dam to the Board. As this is the first AGM following her appointment, she will be standing for election. As I mentioned in the half year report, she has had a distinguished career in banking in the region, mostly with ANZ Bank, having been CEO of its Vietnam operation and Vice Chairwoman for the Greater Mekong Region. Thuy is proving to be an excellent member of your Board and I urge you to support her election.

   Martin Glynn, having served for 7 years, has decided not to seek re-election and will be retiring from the Board following the conclusion of the AGM. I would like to take this opportunity to thank him for his contribution over the years to VOF. We will miss his experience and insight and wish him well in his future endeavours.

   Don Lam has also decided to step down from the Board following the AGM, a departure which will leave the Board comprised fully of independent members. There is always a degree of ambivalence when the key figure in the formation of the Company decides to leave the Board, but Don’s decision reflects a desire on the part of all of us to comply with best practice on board membership, which points unequivocally to a fully independent board. He will, of course, continue to attend our board meetings and I fully expect his focus on our affairs to remain as sharp as it has always been.

   Martin Adams, Michael Gray, and I will all be putting ourselves forward for re-election at the AGM.

2. **Accounting Standards.** The recent amendments to IFRS 10 Consolidated financial statements introduce the concept of investment entities and provide for an exception from the consolidation requirements for such entities. In light of this development, the Group will in future be exempt from consolidating investments which were previously treated as consolidated subsidiaries. Also, similar revisions to IFRS 9 Financial instruments mean that the Group’s investments which were previously treated as associates and equity accounted, will now be recorded at fair value and treated as financial assets at fair value through profit or loss. These amendments are effective for annual periods beginning on or after 1 January 2014, although early adoption is permitted. We have decided that these amendments will be reflected in the consolidated financial statements of the Group for the year ending 30 June 2015, with the consolidated financial statements for the half year ending 31 December 2014 being the first period reflecting the adoption of the revised standards. Details of this change can be found on page 65 of this report. Equally, these private equity holdings will not be categorised as subsidiaries or associates but as investments. One result will be that our balance sheet will no longer contain inventories of items such as birds’ nests and ceramic tiles, which it does this year. The valuation exercise is not yet complete but, on the basis of the work carried out so far, we do not expect the adoption of the revised IFRS standards to have a material impact on aggregate NAV.

3. **Incentive Fee.** Under the terms of the new investment management agreement put in place at the Extraordinary General Meeting ("EGM") held on 22 July 2013, which confirmed the continuation of the Company, your Investment Manager earned an incentive fee this year on the capital markets portfolio but not on the real estate portfolio. This incentive fee, which amounts to USD9.0 million, accrues at the rate of 15.0 per cent of the amount in excess of the hurdle and was capped at the level of 1.5 per cent of the capital markets portfolio. Details of this can be found in Note 28 on page 103. The excess over the cap, which amounted to USD2.4 million, is not paid but is carried forward to be earned in future years subject to both the high water mark and hurdle.

4. **Shareholder Communication.** This is your Company and all of us on the Board are accessible to you directly or through the Company's brokers. The brokers' details can be found on page 123 of this report. We will continue to provide you with information on the Company's progress through announcements to the market, through the website (www.vinacapital.com) and through periodic reports from the Investment Manager. Please feel free to let us have any suggestions about how we can improve communication.

Discount Management

The major disappointment of the past year is that we have not succeeded in narrowing the discount as far as we wished. At the date of the EGM the discount was 27.2 per cent based on the 31 July 2013 NAV per share. As of 30 September 2014 it was 22.2 per cent. In the intervening period since the EGM to 30 September 2014, we have spent USD49.5 million buying back 21.2 million shares at an average discount of 25.5 per cent. Since the outset of the buyback programme up to 30 September 2014, we have now bought back 88.8 million shares, spending USD172.7 million, and contributing 42 cents accretion to the NAV per share of your Company over this period. It should be noted that other closed ended funds investing in Vietnam also trade at significant discounts with a larger discount typically seen in those specialising in real estate investment and a smaller discount generally for those specialising in listed equities.

This data suggest to us that there is still too much supply of Vietnamese closed end fund stock for the demand available. VOF's own discount reflects not only its diversified strategy but also the fact that it is the most liquid of the Vietnamese vehicles and so attracts discount investors. It is possible that the discount will narrow to a degree as the proportion of the Company invested in illiquid real estate assets begins to drop but it will be hard to detach it from the general discount which applies to Vietnamese funds.

We will continue to buy back shares and so the supply will shrink, but we are also investigating opportunities for increasing demand. This will involve a commitment on behalf of the Investment Manager to greater marketing efforts both to existing and potential new shareholders. We are also considering the potential benefits of applying for a premium listing of VOF shares on the main board of the London Stock Exchange, all with the goal of generating incremental demand. The objective is to ensure that VOF is the first choice for investors looking at a diversified, liquid, well governed investment in the country.

This combination of shrinking supply while working to increase demand would obviously benefit from better investor sentiment towards smaller emerging markets. If we do not succeed in narrowing the discount, your Board will consider other options, all the while cognisant of the fact that VOF's liquidity is very important to you, our shareholders.

Outlook

Successful investment in Vietnam requires conditions both inside and outside the country to be on an even keel or trending up. The headwinds which accompanied tapering this time last year have petered out and on balance demand from the developed world appears to be picking up, albeit modestly. In China, which is of course a global economic heavyweight in its own right, growth seems to be recovering following a slowdown last year on the back of tightened credit conditions. Whatever the geopolitical concerns, and they are many, a healthy Chinese economy is likely to be key to Vietnamese economic prospects.

Longer term trends support the continuation of foreign direct investment (“FDI”) into Vietnam. Outsourcing of manufacturing across the technological spectrum and rapidly rising wage rates in north Asia all point to greater FDI.

Inside the country, economic conditions are fairly stable, with growth running above 5 per cent and inflation under control. The Government is keen to accelerate the equitisation process and will need supportive capital markets to achieve its goals. There remain question marks about the recapitalisation needed in the banking sector, but a revival of property values would work wonders there.

In the meantime, the Vietnamese equity market trades at about 14 times 2014 earnings, a rating below the regional average of 16 times but reflecting a significant increase over the last year, according to Bloomberg. Your Investment Manager continues to find good value in the market, but perhaps less so in those stocks which have earned international recognition. VinaCapital is well resourced and has a research effort trained on seeking out opportunities wherever they can be found across the asset class spectrum.

Steven Bates
Chairman
VinaCapital Vietnam Opportunity Fund Limited
28 October 2014

SECTION 2

INVESTMENT MANAGER'S REPORT

INVESTMENT ENVIRONMENT

Economy

Vietnam's economic recovery, on-going market reforms, and the government's commitment to deepen international integration underpin the resurgence of investor interest in the market. The Vietnam Index continues to outperform regional peers, having increased by 20.4 per cent in United States dollar (USD) terms over calendar year 2013, and a further 13.4 per cent year-to-date as at 30 June 2014.

A combination of stable prices and stable currency underscore economic growth:

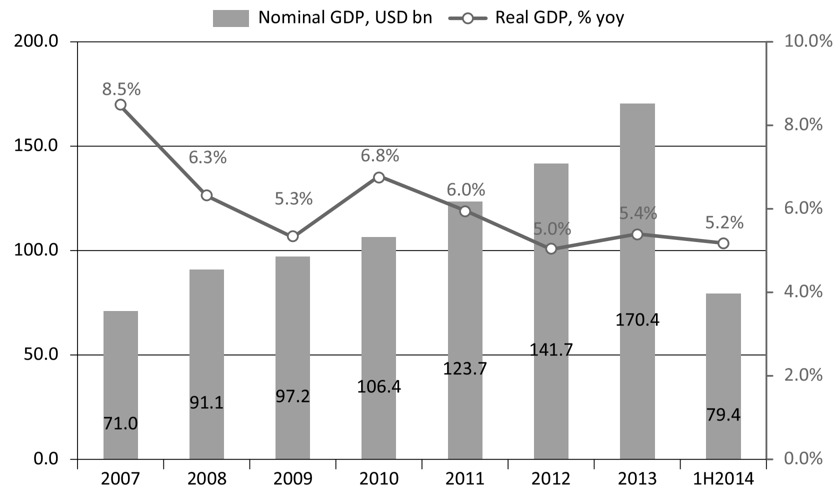
- A low rate of inflation thanks to a lack of cost-push pressures and subdued domestic consumption has kept the average consumer price index rate for the first half of 2014 at 4.8 per cent year-on-year, well below the 7.0 per cent inflation target set by the State Bank of Vietnam ("SBV") at the beginning of the year.
- A stable foreign currency exchange rate, which has benefited from a trade surplus of USD1.3 billion for the first half of 2014 and a healthy balance of payments projected for the end of this year. Furthermore, a record high foreign currency reserve position as stated by the Prime Minister to be above USD35.0 billion and equivalent to 3 months of total imports, lends further support to currency stability. The 1.0 per cent adjustment of the official reference rate of the Vietnam dong ("VND") in June 2014 was a response by the government to help boost domestic growth.

However, this macroeconomic stability has come at the expense of lower credit growth and slower increases in gross domestic product ("GDP"), even as interest rates continue to fall. The General Statistics Office of Vietnam ("GSO") expects GDP growth to reach 5.5 per cent for 2014 after averaging 5.2 per cent for the first half of 2014, a level much lower than previous years.

One reason is the slow progress on the resolution of non-performing bank loans. Ongoing delays in implementing rules that would lead to the accurate disclosure of non-performing loans in banks have not helped investor confidence. And while the government encourages credit growth, banks, uncertain of the impact these disclosure requirements will have on their businesses, are unwilling to lend to domestic business.

Furthermore, weak consumer spending in the first half of 2014 has only shown marginal improvement as Vietnam enters the second half the calendar year. Domestic spending is critical to a resilient economy against a backdrop of slowing economic growth in China and other developed markets.

Gross domestic product



Source: General Statistics Office of Vietnam.

As with many emerging economies, Vietnam relies on the following four engines of growth:

1. Government spending;
2. Credit growth;
3. Foreign direct and indirect investment; and
4. Domestic consumption.

Let us look at each of these key constituents of growth in turn.

1. Government spending

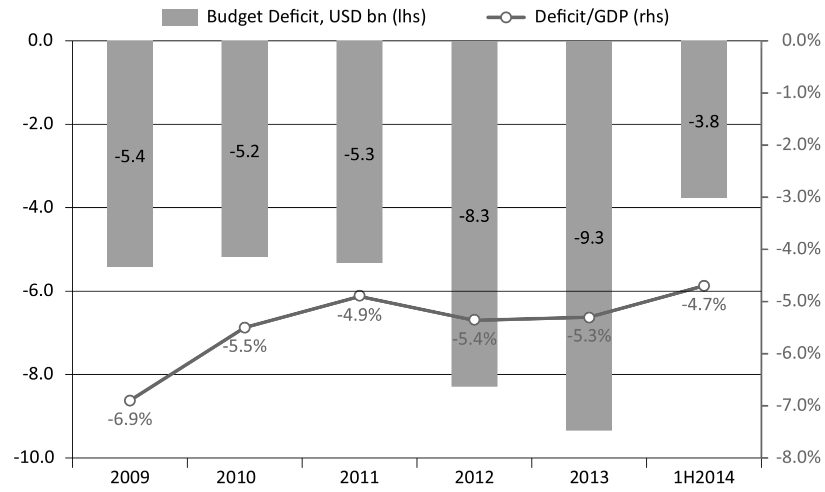
Following the global financial crisis of 2008, the government has made a more concerted effort to invest in infrastructure to attract foreign direct investments and improve productivity. The corporate income tax rate has been lowered from 25 to 22 per cent, effective as of 1 January 2014, with a further reduction to 20 per cent scheduled for 2016. While this encourages international businesses to enter and develop in Vietnam, it potentially reduces revenues from tax collections in the short term at a time when government spending is increasing.

The fiscal deficit for the first half of 2014, at 4.3 per cent of GDP, is expected to increase as the government accelerates the program of spending on infrastructure projects. Government spending has partly been funded by the issuance of domestic bonds, with buyers primarily being Vietnamese banks who remain flush with liquidity. Government bond auctions have been met with enthusiastic buying and yields have been declining steadily thanks to excess liquidity and low inflation. Given that banks, individuals, and corporations have been content with purchasing government bonds, Vietnam has not had to look offshore to borrow at this point in time.

2. Credit growth

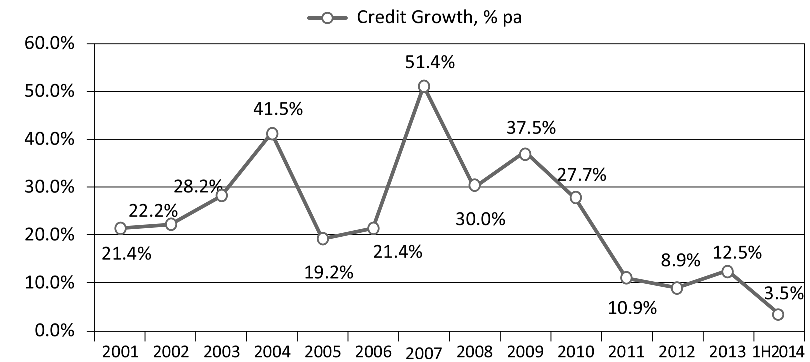
The first decade of the 21st century saw Vietnam achieve strong economic growth in the 7-8 per cent range. This particular brand of rapid growth was spurred on by excessive credit growth, at times reaching 30 per cent or more per annum, while productivity growth was poor. The damaging side-effects of this rapid credit growth included high inflation and the creation of asset bubbles. The government now takes a more conservative approach to credit growth, looking to keep it at nominal levels by combining real GDP growth (5-6 per cent) with the rate of inflation (5-6 per cent) to yield a credit growth of 12-13 per cent per annum. According to the SBV, credit growth for H1 2014 reached 3.5 per cent.

Government's budget deficit



Source: General Statistics Office of Vietnam.

Credit Growth



Source: General Statistics Office of Vietnam.

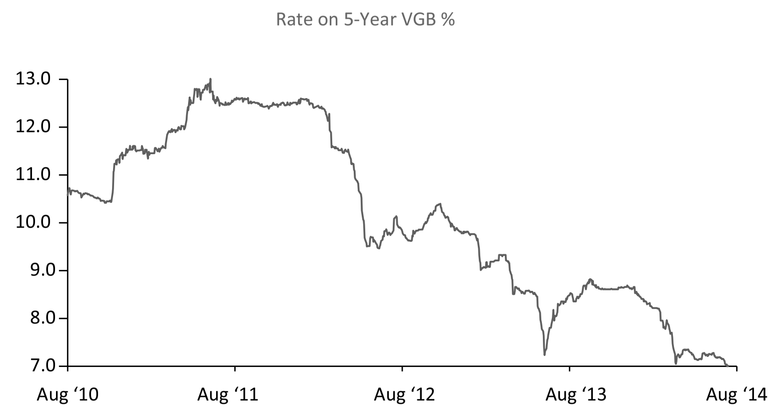
At the moment, this below-target credit growth is a headwind for GDP. However, as Vietnam's productivity grows over the coming years, and as industries move higher up the manufacturing value chain in such sectors as technology, textiles and capital equipment, coupled with higher education and better workforce skills, there is room for further uplift to the potential GDP growth rate.

In July 2014 Moody's upgraded Vietnam's sovereign credit rating to B1 from B2, four notches below investment grade. The firm cited Vietnam's track record of macroeconomic stability, the strengthening of its balance of payments and external payments position, and the easing of contingent risks in its banking sector as reasons for the upgrade.
In September 2014, Fitch hinted at raising its rating one notch higher to BB- in its next review in 12-18 months, thanks to a strengthening of the banking industry and diminished risks to the government in the public sector. The third ratings agency, Standard & Poor's, already has a rating of BB- for Vietnam. On the back of this improvement in sovereign credit rating, over the next 2 years the Vietnamese government intends to roll over USD1.75 billion of maturing USD denominated sovereign bonds.

3. *Foreign Direct Investments ("FDI")*
FDI disbursements, an important capital inflow and major source of support for the Vietnamese economy, reached USD8.9 billion as of September 2014, up 3.2 per cent over the same period last year. However, new FDI commitments over the same period fell 17.8 per cent from last year's record amount, although it is important to note that several large commitments for major projects like Samsung's mobile phone and electronics factories were signed late in 2013 creating a high base for comparison.

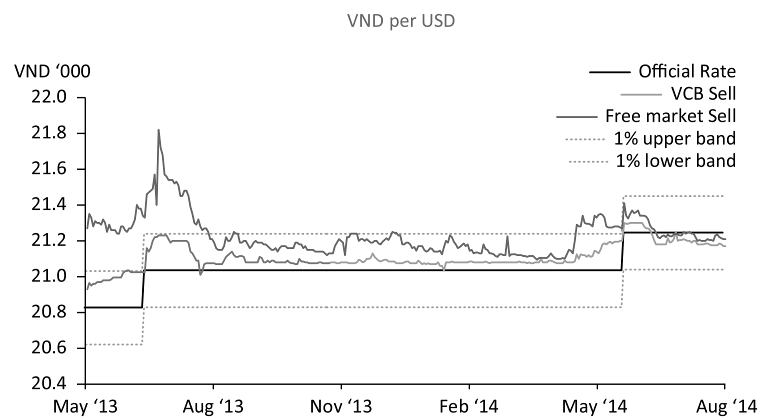
As at September 2014 year-to-date, South Korea remains the largest contributor to FDI with USD3.6 billion registered, followed by Hong Kong, Japan, and Singapore. Samsung has the largest investment project registered in 2014 at USD1.0 billion. To date, Samsung has a total registered investment capital of USD8.0 billion for the manufacture of mobile phones and electronic devices. Their current production capacity in Vietnam is 120 million smart phones, or approximately 30 per cent of their worldwide sales. With further expansion of existing plants and the opening of new factories in Vietnam, production is expected to rise to 50 per cent of their worldwide capacity.

Government bond yields



Sources: General Statistics Office of Vietnam and Bloomberg.

Foreign exchange rate



Sources: General Statistics Office of Vietnam and Bloomberg.

For the first 8 months of 2014, FDI enterprises' export and import revenues were USD65.2 billion (an increase of 15.6 per cent year-on-year) and USD53.6 billion (an increase of 12 per cent year-on-year), respectively.

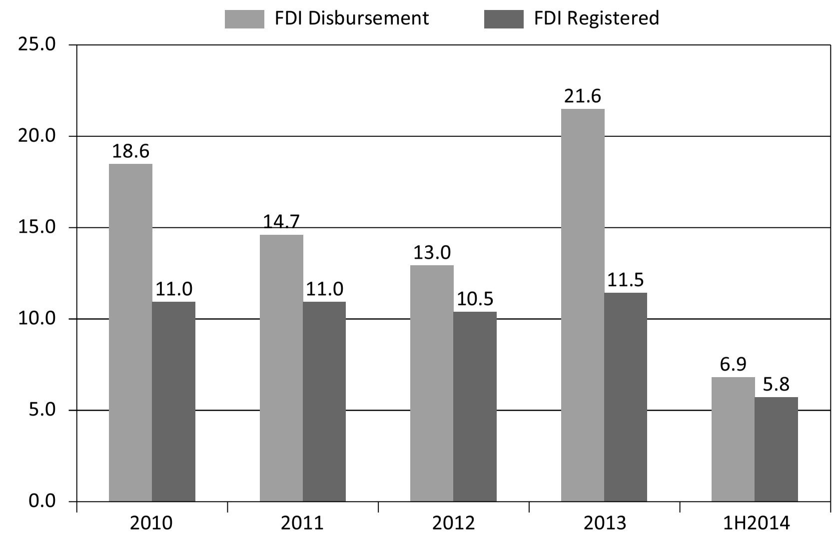
Foreign direct investors, whose interests in Vietnam include access to lower labour costs and a market that is growing towards 100 million people, have been growing steadily over the past few years and continue to do so in 2014. Foreign indirect investors, those that focus on Vietnam's stock and bond markets, are, on the other hand, drawn to Vietnam by access to lower valuations (as compared to other regional emerging markets) coupled with steady dividend yields. These so called 'portfolio investors' are a much more volatile source of capital.

4. Domestic consumption

Retail sales – an indicator of aggregate demand – showed less than spectacular growth at the start of the year. However, this has gradually improved, with the first half reporting growth of 5.7 per cent year-on-year compared to 5.3 per cent over the same period last year according to the General Statics Office of Vietnam. Furthermore, low inflation helped to stabilise consumer purchasing power, contributing to this growth.

The ANZ Roy Morgan Consumer Confidence Index advanced to reach 135.5 in August 2014, the highest level recorded since March 2014 and higher than the average level of this index over the first 8 months of 2014. This reflects a gradual improvement in consumer psychology over the past year.

Foreign direct investment



Source: General Statistics Office of Vietnam.

Further progress required on non-performing loans and privatisations

Non-performing loans ("NPLs")
One area of concern is the government's commitment to resolve NPLs in the banking system. Failure to alleviate the pressure generated by NPLs threatens access to capital for local businesses at a time when foreign businesses are able to access cheaper and readily available offshore funding to help expand their Vietnamese operations, or start new ones. Access to low cost funding paves the way for foreign companies to dominate their respective sectors. Left unchecked, this may lead to the demise of domestic industries and State-owned enterprises and, ultimately, foreign indirect investment. It is paramount that Vietnam prepares for the eventuality of losing some of its advantages, such as the competitive cost of labour, given that foreign businesses will seek new labour pools in other emerging and cost-competitive countries, potentially leaving behind an economy with few mature domestic industries to sustain future growth.

The Vietnamese government recognises that NPLs are a challenge for the banking system. In order to resolve the NPL issue there will most likely be a need to provide for an additional USD3.0-5.0 billion of government support. This estimate is based on current outstanding loans, the current provision, and the additional provision required as expressed by figures provided by the SBV and the major ratings agencies (i.e. Moody's, Standard & Poor's, and Fitch Ratings).

Domestic banks currently report NPLs at just over 4.0 per cent of loans outstanding while the SBV puts that figure at 10.9 per cent. If we assume that the higher estimate is correct, and we apply a recovery rate of 40.0 per cent meaning that 60.0 per cent of the loan value is lost, that will require an additional provision of USD3.7 billion. Although this figure appears large, it is manageable relative to the USD22.0 billion of total equity value in the banking system today. Furthermore, given Vietnam's 2013 GDP of USD170 billion, the scale of this NPL problem relative to GDP appears manageable. However, we do not dismiss its significance or the challenges in resolving this difficult problem, which continues to act as a drag on credit and economic growth.

In order to help address this issue, the government has established the Vietnam Asset Management Company ("VAMC") to acquire the NPLs from the books of the commercial banks. Essentially, the banks are receiving a bond from the SBV which will allow them to amortise these loans over the next five years. During this five-year period, the VAMC will try to sell the debt and return proceeds to the banks as well as keeping some of the cash for itself. The process of selling the NPLs, or the collateral from the NPLs, had not yet been initiated at the time of writing this report. The key question is whether the government will allow foreign investors to purchase the NPLs and with them, the underlying collateral, which in most cases is real estate. This remains a challenging debate within the government as there is no consensus as to whether the legal framework is sufficient to allow this to proceed. Meanwhile, the VAMC chairman has declared that legislation to facilitate foreign investor participation in future bad debt auctions is being clarified.

The VAMC has bought back approximately USD540 million worth of bad debts from banks during the first half of 2014 which accumulated to some USD2.4 billion worth of bad debts purchased since its commencement in October 2013. The VAMC is expected to continue to acquire bad debts in the remainder of 2014.

Equitisations of State-owned enterprises
The ambitious goal of equitising (as privatisation is known in the country) over 400 companies by 2015 is challenging and appears to be behind schedule. We do believe that the government can achieve this target over time, but progress is slow.

At present, foreign investors are restricted as to the percentage they can hold in listed Vietnamese companies. There is wide speculation about the Vietnamese government raising the foreign ownership limit up to 60 per cent (from 50 per cent) for non-banks, but a decision seems unlikely this year. With changes to foreign ownership limits delayed, government priorities lie in equitisation. Their aim is twofold: first, to raise capital to fund the budget deficit; second, to improve the efficiency of these State-owned enterprises ("SOE"), which they hope to achieve by aligning the interests of management with shareholders. The SOE equitisation programme is an economic priority for the government, with an ambitious goal of 432 initial public offerings ("IPOs") for 2014 and 2015. With less than 50 equitisations realised at the time of this report, and some IPOs receiving less than 50 per cent take-up, results are mixed. One of the largest IPOs to date is Vinatex, a textiles company, with Vietnam Airlines scheduled for November 2014, followed by Mobifone, one of the nation's largest mobile carriers yet to come.

Global economic impact
It is expected that the USD will strengthen against the euro, yen, and other currencies as the U.S. Federal Reserve ends its quantitative easing program ("QE3") later this year, while the euro is expected to weaken against the background of Europe's weak economic recovery. Since the VND is essentially pegged close to the USD, we believe any negative impact on Vietnamese exports will be small because the country produces inexpensive manufactured goods (i.e. garments, footwear, etc.) which tend to have lower price elasticity of demand.

It remains a possibility that other Asian countries will raise interest rates to defend against capital outflows resulting from a reduction in QE3. However, with Vietnam's interest rates hinging more on internal factors, the country is likely to be better able to withstand such external global pressures than neighbouring countries such as Indonesia and Thailand.

Vietnam's robust external position (e.g. trade surpluses, high reserves) and lack of hot money inflows, which can reverse direction and cause instability, shield the country, at least in part, from the adverse effects caused by changes in U.S. monetary policy. The SBV manages the VND with an objective of keeping it stable and less subject to speculative trading in global financial markets. In general, local factors and SBV policy, which are supportive, determine the strength of the VND. Despite the government decreasing the benchmark value of the VND by 1.0 per cent in June 2014, the value of the local currency is still very stable and strong.

Economic stability leads to investment confidence
In the months leading up to the end of 2014 and the start of 2015, it is expected that the economy will remain stable and resilient, enough to overcome tensions such as those experienced with China in May and June of 2014. After a short period of heightened tensions, China-related anxieties have subsided, especially after the removal of the controversial oil-rig one month ahead of schedule. The recent visit to China by a high-ranking Vietnamese official also contributed to a normalisation of relations. The economic effects have been muted as major indicators such as bilateral trading, investment flows, and state-to-state contacts have remained uninterrupted. Latest figures showed that trade flows between the two countries have remained on track and stayed on a par with 2013. Chinese investments in Trans-Pacific Partnership ("TPP") related industries such as fabrics and textiles show no signs of scaling back. We believe that the bilateral economic and financial relationships between Vietnam and China are of mutual benefit and sustainable going forward.

Equitisations of State-owned enterprises

2007 - 2009

A missed opportunity
- 2007 Vietnam joins the WTO
- **Opportunity** to carry out large-scale equitisation of the SOE sector and help expand the capital market.
- Opportunity was allowed to slip away. A developing bear market starting in 2008-09 was mostly to blame.

2011 - 2012

Major reform starts in earnest
- **Resolution 11** issued in 2011, conatined 2 key goals:
  1. Restoring macroeconomic stability to the economy.
  2. Restructuring across 3 major economic areas:
     – SOEs
     – Banking sector
     – Public investment program.

2014 - 2015

Ambitious plan for next 2 years
- Up to now the government has vigorously pursued reforms
  – **in the banking sector** via the VAMCs establishment to resolve bad debt problems; and
  – **in public investments** by a focus on infrastructure projects.
- **March 2014, Resolution 15/NQ-CP** was issued covering equitisation and privatisation plans in which an ambitious schedule is laid out for the next 2 years.
- Clear signal from leadership that this issue will be a major objective going forward.

Source: VinaCapital.

INVESTMENT MANAGER'S REPORT

PORTFOLIO PERFORMANCE

VOF's net asset value ("NAV") per share as well as its share price, driven by a strong public equity market, has performed well during the financial year. Over the last 2.5 years, the Vietnam Index has enjoyed a compounded annual growth rate of approximately 20 per cent; during calendar year 2013 it was up by 20.4 per cent, and this year to 30 September 2014 it is up by 18.0 per cent in USD terms. Over the financial year ending 30 June 2014, the Vietnam Index increased by 19.2 per cent.

Overall the NAV per share has grown by 39 cents during financial year 2014; 30 cents of that growth has come from investments, and 9 cents NAV per share accretion comes from the share buy-back programme.

Public equity
VOF's public equity portfolio, or otherwise known as the capital markets portfolio, includes listed and over-the-counter traded securities. The capital markets portfolio has enjoyed a significant increase of 24.3 per cent during this financial year. As a percentage of the entire portfolio of USD779.0 million as of June 2014, the capital markets portfolio represents 67.1 per cent, of which listed securities represent 57.7 per cent of the total portfolio.

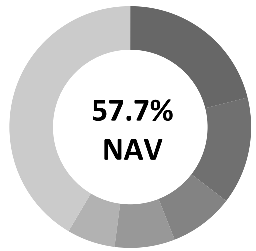
This year, VOF has realised profits from listed securities such as Kinh Do Corporation (KDC) and Vinamilk (VNM), by taking advantage of increased valuations. There is high demand from foreign investors for several blue-chip stocks in our portfolio in situations where the stocks have reached their foreign ownership limits, and we are occasionally able to sell at a significant premium above the quoted market price. Some of the proceeds have been recycled into other listed companies which we view as undervalued. One such company in which we have reinvested via a private investment in public equity ("PIPE") deal late last year is PetroVietnam Drilling (PVD).

Specific sectors: consumer goods, oil & gas, financials, real estate
We continue to have high confidence in the consumer goods sector, including consumer staples where we have seen companies experience earnings growth between 10 and 15 per cent. We also maintain a high allocation to the oil and gas sector. We continue to find this industry attractive with Vietnam in negotiations with Exxon Mobil for an investment of USD10 billion to explore and extract offshore oil and gas reserves. Further, this makes the peripheral industries in the oil and gas sector interesting, and so we will continue to focus and invest in this sector.

The financial sector, commercial banks in particular, has been challenging in recent years. As we point out in our economic review above, the NPLs remain a challenge and could erode 20-25 per cent of the equity value in some weaker banks. We continue to look at this sector for opportunities to invest at lower valuations; however, we have not made any significant investments over the last 12 months.

Another sector in which we participate is agriculture. We are positive about this industry, but good investment opportunities to invest directly rarely present themselves in Vietnam. Therefore, we focus on indirect investment exposure, including animal feed, the agro-chemical industry, and the seeds business, all of which offer attractive prospects. We believe that over the next 3-5 years this will continue to be a very strong sector.

Listed equity



Vinamilk (VNM) 12.2%
Hoa Phat Group (HPG) 8.3%
Eximbank (EIB) 4.9%
Kinh Do Corp (KDC) 4.6%
Hau Giang Pharmaceuticals (DHG) 3.7%
All others 23.9%

VOF participated in the SOE equitisation process of South Basic Chemical Company (HCMN) in September 2013. HCMN is one of the leading industrial chemical companies in southern Vietnam and is preparing to list on the HOSE. Revenues for 2013 and estimated revenues for 2014 are USD47 million and USD68 million, respectively. The estimated profit after tax for 2014 is USD6.1 million. VOF made the investment at a 2014 price-to-earnings multiple of 4.5 times.

The Vietnamese pharmaceutical industry, one in which we remain selectively interested, is reaching its peak in our estimation. Most of the companies in which we invest produce generic drugs for the domestic market. The market is saturated at the moment, so while growth was strong over the last few years, that rate is slowing to 5-10 per cent. We also favour the hospital and health care sector. In the past, we invested in Hoan My Medical Corporation, Vietnam's largest private hospital system , and enjoyed a successful exit. We will continue to look for opportunities in this area over the next 1-2 years.

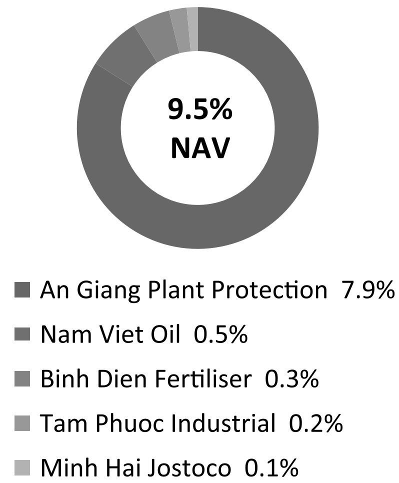
Private equity

In the private equity sector our focus has been sourcing new deals. Over the past 2 years we have been able to take advantage of exits from many of our large private equity holdings to strategic buyers like Diageo, of the UK; Fortis Healthcare, of India; and Siam Cement Group, of Thailand. These exits have left our private equity portfolio weighting below its optimal level. While we have enjoyed good performance from the public equity side, public equity valuations have risen and our focus naturally turns to private equity opportunities at lower valuations. We have over USD100.0 million of potential deals in the pipeline, and with the sourcing phase complete, we hope to execute several investments in the private equity space within the next 6-12 months, subject to completion of due diligence and agreement of terms.

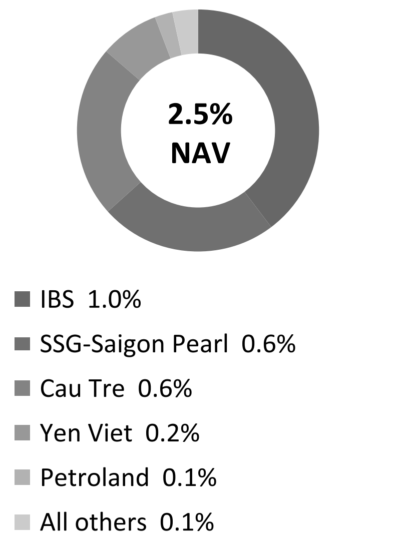
In September 2014, VOF announced that it had concluded its divestment of its 23.6 per cent stake in An Giang Plant Protection JSC (AGPP) after completion of all required conditions precedent. VOF received USD63.1 million in cash, or VND85,000 per share, representing an IRR of 23.7 per cent over a period of five years. Initially, we invested in AGPP as a private equity investment and we have since seen it become a public company with over 100 shareholders. AGPP is currently trading in the OTC market; therefore, VOF has been able to mark-to-market its holding in AGPP on a monthly basis. The value of this transaction represents a premium of 22.0 per cent over the 31 May 2014 net asset value, the last recorded value prior to receiving an offer for the shares. AGPP is currently the market leader in the manufacture and distribution of pesticides in Vietnam. In 2013, AGPP delivered revenue of USD354 million, an increase of over 17.0 per cent year-on-year. During the same period, AGPP's earnings grew by over 18.8 per cent, reaching USD24.0 million. Revenue for the first half of 2014 was approximately USD200 million, roughly half of the company's full year target of USD399 million, while first half 2014 net income was USD12.0 million.

This divestment highlights the quality of VOF's overall investment portfolio and provides further evidence to support the view that VOF's share price to NAV discount is too wide.

Over the counter (OTC)



Private equity



Real estate

We believe that the real estate sector is starting a recovery cycle. Given the Portfolio's exposure to this sector, whether in development risk or through the public equities of property development companies, the portfolio is positioned for the recovery.

The property portion of the portfolio consists of two components: development risk, which represents 15.3 per cent of VOF's portfolio, and hospitality and operating assets, which represents 9.0 per cent. The Sofitel Legend Metropole Hotel forms the bulk of the hospitality and operating assets portfolio at fiscal year-end. We believe that the development property sector has reached its cyclical bottom, and, aided by lower interest rates and funding costs, as well as increased liquidity in the market, is poised to improve over the next 3-5 years.

We witnessed a record year of revenue and occupancy growth in 2013 at the Sofitel Legend Metropole Hotel. As a result of that achievement we set an aggressive budget for 2014. Despite factors mitigating the performance of this asset, chief among them the aforementioned tensions with China during May and June of this year, we expect to meet the planned budget, as the property does not solely rely on Chinese visitors for its performance.

Real estate outlook

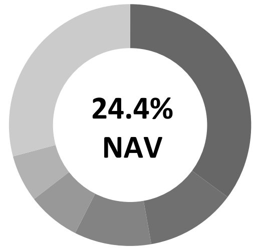
The Vietnam real estate market has shown improvement over the last year as other investment alternatives favoured by Vietnamese investors, such as gold and deposit accounts, offer limited returns. We foresee improving macroeconomic indicators and continued stability supporting economic and market growth. More launches in the condominium sector are anticipated; however, with developers looking to deliver products more quickly to improve their cash flow, the number of units per launch may be smaller. Those projects with competitive pricing, optimal location, ease of accessibility, and backed by a reputable developer are in line for more favourable results.

In the landed property sector, infrastructure development will continue to play an essential role. Projects near new metro train line stations and arterial highways are expected to increase in value and secure more interest from prospective buyers and investors. Supply is expected to remain limited in the next year and new launches are expected to follow infrastructure development closely.

In the retail sector, no further significant price cuts are expected in coming quarters. New supply of large-scale retail space of over 20,000 sqm net leasable area ("NLA") is expected to be limited in the next two years. Changes in legislation and various potential trading agreements are expected to drive the Vietnam retail market. Vietnam will completely open its market in 2015 to comply with WTO obligations, which will continue to attract the attention of international retailers.

Current bank lending rates for real estate are trending down and are now in the range of 10 to 12 per cent per annum. Vietnamese banks have ample liquidity to lend. However, they are still concerned about existing NPLs. Special lower rates may be offered to home buyers on a case-by-case basis, especially in the low income segment, based on the government's housing credit package. We have seen some initial signs of a recovery in the residential sector, although mainly occurring in the low to mid-end product segments for now.

Real estate and hospitality



Sofitel Metropole 8.6%
Century 21 2.9%
Danang Beach Resort/Golf course 2.5%
Dai Phuoc Lotus 1.7%
Hung Vuong Plaza 1.5%
All others 7.1%

The Ministry of Construction ("MOC") is proposing a loosening of conditions for eligibility for a USD1.4 billion housing credit package to support investment in low-income housing. Efforts are also being made to extend foreign ownership rights for Vietnamese properties with MOC submitting a relevant proposal to the government to make it easier for eligible foreigners to enter the property market. If approved, this new resolution may assist in clearing some of the large stock of residential properties currently in the market, especially higher-end property.

Given lower deposit rates investors will most likely opt to take money out of bank deposits and invest into the stock market and into real estate. It is worth bearing in mind that Vietnamese citizens and businesses are restricted from investing abroad, so they are limited to investing in a few types of asset classes available to them in Vietnam. These investment opportunities tend to move in cycles: when interest rates are high, Vietnamese put money in the bank to earn high deposit rates; as inflation rates come down, so do deposit rates and Vietnamese will shift their money to the equity markets; as the equity markets go up, people take profit on their public equity investments and shift to the next asset class being real estate. The real estate sector is expected to grow over the next 3-5 years. Therefore, we believe we can either begin to exit real estate investments at valuations above NAV, or see the development of these assets into finished goods and their sale into the market at a quicker pace than currently.

Other asset classes
The other component of the VOF portfolio is cash and cash equivalents. We have generated a significant amount of cash over the years as a result of strategic exits. We have earned profits from the sale of listed equities as their valuations have risen. The VOF Board of Directors and the Investment Manager remain committed to the share buy-back programme. For financial year 2014 we have spent USD52.3 million on the share buy-back programme to repurchase 23.1 million shares, which have been put into treasury.

Strategy and allocation
In our strategic asset allocation, we continue to focus on deploying funds into private equity investments. Sales of our real estate development investments remains a key part of the strategy and, as mentioned earlier, we aim to reduce the exposure to property development risk. We are looking to exit several holdings in the real estate sector and hope to deliver proceeds above current NAV.

Our objective is to acquire companies that operate in sectors that contribute to, and benefit from, the growth of the domestic economy by taking advantage of the middle class income growth, and that require, or are going through, structural changes that position them to outperform their peers in the near future. We favour holding on to companies that can deliver strong growth or growth that outpaces peers, or when we see potential divestment opportunities at valuations higher than comparable market valuations. This is because our track record shows we are able to deliver to potential strategic investors meaningful stakes in businesses having two or more of the following elements: (a) a strong brand, (b) a comprehensive distribution channel, and/or (c) a scalable manufacturing capability. We look to divest companies when they have reached maturity or growth levels at or below their associated sectors, when we are presented with offers at valuations that we cannot justify increasing by more than 15 per cent per annum in subsequent years, or we feel that management's interests no longer align with those of the shareholders and there is little visibility for any material improvement in the near future.

Concerning SOE equitisations, it is our experience that the larger the equitisation, the more attention it receives and therefore the valuations tend to run ahead of themselves, making them less interesting. We prefer to look at mid-sized companies that are quietly undertaking the process of equitisation and allowing employees to purchase as many shares as possible, thus aligning the interests of management with public shareholders.

During fiscal year 2014, we reviewed five equitisation opportunities and participated in two. We look forward to participating in more in the near future as more and more SOEs embark on the process. We seek investment opportunities in companies that have strong management, or where we have clarity on how to strengthen management by building management teams to regional and international standards. Our definition of strong management is that they should be capable of executing the business plan while being honest, transparent, and realistic. We may bring in co-investors who have experience, networks, and connections with other managers from around the world that can help these businesses.

Our goal for any divestments is to redeploy proceeds into private equity and/or use it for share buy-backs. Given our strong cash position, we can allocate funds into both areas.

Conclusion and outlook

On the back of a stable economic environment and GDP growth of 5-6 per cent, we believe that Vietnam is poised to grow steadily in the next 3 years. The cost of funding has dropped, making it easier for businesses to borrow. This will help grow domestic businesses. Vietnam is looking forward to entering the Trans-Pacific Partnership (TPP) which will allow it to export to other TPP nations with low or no tariffs. This will stimulate the export sector, creating wealth as well as jobs. As a result, we expect to see sectors geared towards this growth reap the benefits.

We forecast a continuing reduction in inflation rates and concur with the markets which foresee inflation of 7 per cent or less for the next 3-5 years. As evidence of the market view, the September 2014 Vietnam government bond yields were 4.92 per cent and 5.46 per cent for maturities of 3 and 5 years, respectively, according to Bloomberg.

Projections by local analysts for the Vietnam Index performance clustered in the range of 580-600 at the start of 2014, but shifted up to 620-650 as we entered the second half of the year. The increased volume of margin lending also implies that credit may be less constrained for securities companies than for general business enterprises. The availability of margin lending is a significant factor in maintaining trading volumes and upward momentum for the market. Into 2015, we expect the public equity market continue to increase in value. As a result of the public equity component of VOF holding steady above 50 per cent, the contribution of the public equity to NAV growth will remain significant in financial year 2015.

We believe that current market trends depend upon the continuation of declining inflation and its corollaries, falling interest rates and a stable currency. A market reversal is a possibility in the event of policy decisions that interrupt the current course. The major risk revolves around the return of inflation and this could materialise from a variety of sources including:

1. Loose monetary policy leading to excessive credit growth;
2. Attempts to stimulate economic growth with aggressive fiscal policy;
3. Monetary expansion to finance the deficit leading to a high costs of funding; and
4. Continued weak aggregate demand resulting in stimulus packages that exert upward pressure on price levels.

High inflation has, in the past, led to weaknesses in the VND, triggering a flight to the USD. In addition, if the SBV stimulates exports by depreciating the VND the result is an increase in foreign exchange risk. Both scenarios lead to a devaluation of the VND against the USD, dampening the enthusiasm of foreign investors.

The probability of such risks materialising is low at this time. Vietnam's government continues to maintain the comprehensive reform program first implemented in 2011. Political will exists to move forward with fundamental economic reforms and, while slow at times, progress continues and we do not detect any signs of backtracking by Vietnam's top leadership.

INVESTMENT MANAGER'S REPORT:

TOP TEN HOLDINGS

Top 10 Holdings	Sector	Description	% of NAV
Vinamilk (VNM)	Food & beverage	Leading dairy company with dominant market share.	12.2
Sofitel Legend Metropole Hotel Hanoi	Hospitality projects	Vietnam's top city-centre hotel.	8.6
Hoa Phat Group (HPG)	Construction materials	Major steel manufacturer.	8.3
An Giang Plant Protection	Agriculture	Leading plant protection chemical firm.	7.9
Eximbank (EIB)	Financial services	One of the top ten commercial banks.	4.9
Kinh Do Corp (KDC)	Food & beverage	Top confectionery manufacturer in Vietnam.	4.6
Hau Giang Pharmaceuticals (DHG)	Pharmaceuticals & health care	The largest domestic pharmaceutical producer in Vietnam.	3.7
PetroVietNam Drilling and Well Services JSC (PVD)	Mining, oil & gas	Leading drilling contractor in South East Asia.	3.3
Century 21	Real estate projects	HCM City residential development.	2.9
Petrovietnam Technical Services Corporation (PVS)	Mining, oil & gas	Leading oil and gas technical service provider in Vietnam.	2.7
Total			**56.2**

Vinamilk (VNM)

Vinamilk (VNM) is the leading dairy products manufacturer and distributor in Vietnam. The company offers a wide range of products, from fresh and powdered milk to condensed milk, yogurt, and coffee, with more than 30 per cent of the total dairy market, and 90 per cent market share of the yogurt segment. The domestic market accounts for about 90 per cent of total sales. It is the first Vietnamese company to be one of Asia's Top 200 Small and Midsize Companies, according to Forbes, ranked 18th among the Top 200 in terms of profit and 31st in overall market value.

Vinamilk started to operate its new factory in August 2013, a USD120.0 million facility that boasts the latest technology and will add another 400 million litres of capacity for liquid milk and will provide the foundation for the development of more value-added products in the future. In April 2013, Vinamilk began operating its Dielac 2 powdered milk plant, which has doubled its powdered milk capacity.

1H2014 revenue totalled USD805.5 million and net profit of USD141 million, up by 14.3 per cent and down (6.3 per cent), respectively, compared to 1H2013. The lower net margin was due to higher raw input material prices and more advertising and marketing activities to maintain growth and push sales of new products.

VNM closed at VND 122,000 per share as at 30 June 2014, representing a market capitalisation of USD4.8 billion, a trailing P/E ratio of 16.6x and P/B ratio of 5.5x. As at 30 June 2014, VOF held a stake in VNM valued at USD94.7 million.

Financial highlights

Profit and loss (VND bn)	**FY11A**	**FY12A**	**FY13A**	**1H14**
Net revenue	22,544	26,562	30,954	16,915
Net profit	4,251	5,819	6,531	2,963
Net margin (%)	19.5%	21.9%	21.1%	17.5%
EPS (adjusted) (VND)	7,741	6,976	7,839	3,553
Balance sheet (VND bn)				
Total assets	15,582	19,698	22,875	23,734
Shareholders' equity	12,477	15,493	17,545	18,552
ROE (%) [1]	41.3%	37.6%	39.5%	31.9%
Valuation				
PER (x)	11.2	12.5	17.2	16.6
P/B (x)	3.9	4.7	6.3	5.5
Dividend yield (%)	3.7%	3.1%	3.0%	3.9%

[1] Annualised ROE (%).

Hoa Phat Group (HGP)
Hoa Phat Group (HPG) is a leading industrial manufacturer in Vietnam. Established in 1992 as a trading company, HPG has evolved into a holding group with thirteen subsidiaries, specialising in construction materials such as steel, steel pipe, furniture, refrigerators, construction and mining equipment, real estate and industrial park operations. HPG has a well established nationwide distribution and sales network, with a strong platform for future product expansion and diversification. The company currently holds 18 per cent market share, up from 17 per cent as at the end-Q1 2014, as a result of new capacity from Phase II of its steel integrated complex which came into operation in October 2013. HPG has outgrown Pomina (POM) to become the leading construction steelmaker in Vietnam.

HPG announced impressive results for 2Q2014, with revenue of VND6,824 billion (+57 per cent y-o-y) and net profit of VND964 billion (+81.2 per cent y-o-y). Growth drivers came from a 50 per cent y-o-y sale volume increase in construction steel, lower input raw material and profit contribution from real estate – Mandarin project. For 1H2014, HPG's revenue reached VND13,339 billion (+61 per cent y-o-y) while net profit was VND1,874 billion (+85 per cent y-o-y). As of end June 2014, HPG's market share in construction steel increased to 18 per cent nationwide compared with 17 per cent as at the end of Q1 2014. On 24 April 2014, HPG paid the FY2013 cash dividend of VND1,500 per share and a stock dividend of VND1,500 per share. For 2014, the proposed dividend is at VND3,000 per share, implying a dividend yield of 5.6 per cent.

As of 30 June 2014, HPG was traded at VND54,000 per share, equivalent to a trailing P/E ratio of 9.2x and a P/B ratio of 2.4x. The HPG share price increased by 20.4 per cent in the reporting quarter. As at 30 June 2014, VOF held a 5.3 per cent stake in the HPG valued at USD64.6 million.

Financial highlights

Profit and loss (VND bn)	**FY11A**	**FY12A**	**FY13A**	**1H14**
Revenue	17,852	16,827	18,934	13,339
Net income	1,236	994	1,954	1,874
Net margin	6.9%	5.9%	10.3%	14.0%
EPS (adjusted)	2,951	2,372	4,663	3,896
Balance sheet (VND bn)				
Total assets	17,525	18,957	22,961	20,350
Shareholders' equity	7,414	8,085	9,498	10,740
ROE (%) [1]	16.7%	12.3%	20.6%	34.9%
Valuation (VND bn)				
PER (x)	9.4	15.3	8.8	9.2
P/B (x)	1.6	1.9	1.8	2.4
Dividend yield (%)	5.5%	5.5%	4.9%	5.6%

[1] Annualised ROE (%).

Sofitel Legend Metropole Hanoi Hotel (Sofitel Metropole)
Acquired by VOF in 2005, the Sofitel Legend Metropole Hanoi Hotel is located on 7,500 sqm in the prime location of Hanoi's CBD, surrounded by various historic monuments and museums. Managed by Accor Group, the hotel operates with 364 rooms over 27,289 sqm gross floor area.

The Sofitel Metropole Hanoi's average occupancy rate was 68.4 per cent for the first half of 2014, generating USD18.5 million in revenue and USD10.0 million in gross operating profit, meeting 97.4 per cent, 94.3 per cent, and 94.9 per cent of budget targets, respectively. The hotel's performance was affected for a short time during the geopolitical tensions that arose between Vietnam and China in May, specifically within the corporate clients/sector. However, the situation has since improved and management expects financial results to remain strong throughout the remainder of the FY 2014, with a target of USD38.7 million in revenue and USD20.5 million in gross profit, representing 2.9 and 2.0 per cent year-on-year growth, respectively.

Financial highlights

Profit and loss (USD mn) [1]	FY11A	FY12A	FY13A	1H14
Revenue	34.3	35.2	37.6	18.5
Gross profit	17.6	18.9	20.2	10.0
Gross margin	51.3%	53.4%	53.7%	54.1%
Net income	6.9	7.5	9.7	4.8
Net margin	20.1%	21.3%	25.8%	25.9%
Balance sheet				
Total assets	47.8	43.8	46.1	46.6
Shareholders' equity	32.2	33.2	38.0	37.2
ROE (%) [2]	21.4%	22.6%	25.5%	25.8%

[1] Includes other rental income and expenses.

[2] Annualised ROE (%).

An Giang Plant Protection (AGPP)

An Giang Plant Protection JSC, formerly state-owned, is currently the market leader in the manufacture and distribution of pesticides in Vietnam. The company utilises its strong and extensive distribution network of 500 wholesalers and 4,500 retail outlets to distribute its 23 stock-keeping units (SKU). The company has over 3,000 employees in offices in Ho Chi Minh City, the Mekong Delta and Cambodia, two pesticide and five seed factories, a laboratory, a packaging plant and rice mills.

The Company differentiates itself by directly sourcing from, and actively working with, local farmers to improve yield and quality via its Farmers' Friends network, thus increasing volume and profit margin for the whole value chain.

In 2013, the company launched its sixth rice mill, located in Hong Dan (Bac Lieu province). In total, six of the twelve rice mills planned for construction through 2016 are complete. Total capital expenditure for these twelve mills is estimated at approximately USD137 million.

For FY 2014, AGPP is targeting revenue of USD399 million, and a net profit of USD26 million, an increase of 13 and 8.5 per cent, respectively, year-on-year. As at 30 June 2014, the company's market capitalisation was approximately USD260 million, equivalent to a trailing P/E and P/B ratio of 12.9x and 2.8x respectively. As at 30 June 2014, VOF held a stake in AGPP valued at USD61.3 million.

Financial highlights

Profit and loss (VND bn)	**FY11A**	**FY12A**	**FY13A**	**1H14**
Revenue	4,869	6,336	7,436	4,127
Net income	427	421	500	249
Net margin	8.8%	6.6%	6.7%	6.0%
EPS (adjusted)	6,876	6,440	7,657	3,819
Balance sheet (VND bn)				
Total assets	2,707	3,570	4,693	5,634
Shareholders' equity	1,225	1,408	1,631	1,969
ROE (%) [1]	34.9%	29.9%	30.7%	25.3%
Valuation (VND bn)				
PER (x)	7.9	7.8	8.7	12.9
P/B (x)	2.7	2.3	2.7	2.8
Dividend yield (%)	5.5%	4.0%	4.3%	n/a

[1] Annualised ROE (%).

Eximbank (EIB)
Eximbank is the eighth largest lender in Vietnam, with the loan book representing 2.3 per cent of total credit in the banking system. In recent years, the bank has diversified from its original focus of financing import/export operations to become a retail bank. The bank currently has one of the largest retail operational networks with 207 locations nationwide.

EIB gross loans declined by 4 per cent while total assets contracted by 22 per cent in the first six months of 2014. The decline in gross loans was because EIB actively reduced low margin retail loans while the decline in total assets was due to a 40 per cent cut in low margin interbank balances.

Net profit declined by 10 per cent in 1H2014 due to lower net interest income and a rising provision expense for bad debt. Non-performing loans as a percentage of gross loans increased to 2.9 per cent in June (from 2.0 per cent in December). Net interest margins slightly improved to an average of 2.2 per cent in 1H thanks to efforts in the reduction of low margin lending products. Operating costs declined by 6 per cent in the first 6 months of 2014.

EIB's share price closed 30 June 2014 at VND13,200, representing a market capitalisation of USD776 million, a trailing P/E ratio of 27.5x and a P/B ratio of 1.1x. As of 30 June 2014, VOF held a 5.0 per cent stake in Eximbank valued at USD38.5 million.

Financial highlights

Profit and loss (VND bn)	**FY11A**	**FY12A**	**FY13A**	**1H14**
Net interest income	5,363	4,901	2,736	1,529
Net profit	3,038	2,139	658	515
EPS (adjusted) (VND)	2,460	1,730	532	417
Balance sheet (VND bn)				
Total assets	183,567	170,156	169,835	132,045
Shareholders' equity	16,302	15,812	14,680	14,574
ROE (%) [1]	18.6%	13.5%	4.5%	7.1%
Valuation				
PER (x)	8.7	8.3	23.5	27.5
P/B (x)	1.2	1.1	1.1	1.1
Dividend yield (%)	9.0%	9.4%	4.0%	4.5%

[1] Annualised ROE (%).

Kinh Do Corporation (KDC)

Kinh Do Corporation (KDC) is a leading company in the Vietnamese confectionary market with a product portfolio of biscuits, cakes and ice cream. Additionally, KDC is currently the largest moon cake producer in Vietnam with volume of 2,600 tons per year.

For 1H2014, KDC generated a revenue of USD85.6 million and a consolidated net profit of USD4.4 million, increasing by 5 per cent and 19 per cent, respectively compared to same period last year. The modest growth in revenue (up 5 per cent) and the decline in operating profit (EBIT down 24 per cent) reflected low consumer spending in the confectionary market and rising marketing and promotion expenses during the period. However, net profit still jumped 19 per cent thanks to lower interest expense, lower corporate income tax and no one-off losses (1H2013 loss of 16 billion). In addition, we noted a recovery in sales growth in Q2 (up 12 per cent compared to -2 per cent in Q1) and expect a fairly good upcoming moon-cake season in Q3. KDC sales and profits are highly seasonal with 60 per cent of its revenue and earnings occurring typically higher in the second half of the year. KDC completed a 19 per cent private placement to strategic investors in May 2014 for USD83m.

KDC closed at VND60,000 per share as at 30 June 2014, representing a market capitalisation of USD510 million, a trailing P/E ratio of 24.3x and a P/B ratio of 1.9x. As at 30 June 2014, VOF held a 6.0 per cent stake in KDC valued at USD36.2 million.

Financial highlights

Profit and loss (VND bn)	**FY11A**	**FY12A**	**FY13A**	**1H14**
Revenue	4,247	4,286	4,561	1,797
Net profit	273	353	522	93
Net margin	6.4%	8.2%	11.4%	5.2%
EPS (adjusted) (VND)	2,275	2,206	3,126	435
Balance sheet (VND bn)				
Total assets	4,675	4,322	5,078	7,157
Shareholders' equity	3,815	4,010	4,883	6,630
ROE (%) [1]	7.2%	8.8%	10.7%	3.2%
Valuation				
PER (x)	11.0	18.1	16.9	24.4
P/B (x)	0.8	1.4	1.7	1.9
Dividend yield (%)	5.7%	5.2%	3.9%	3.4%

[1] Annualised ROE (%).

PetroVietnam Drilling (PVD)

PetroVietnam Drilling JSC (PVD) is a leading Vietnamese drilling-related services company, with parent, PetroVietnam, owning a 51 per cent stake. The company owns and operates five drilling rigs, including three jack-up rigs, one tender assist drilling rig (TAD) and 1 land rig, in addition to its leased jack-up fleet.

For Q2 2014, the company reported revenues of VND4,678 billion, an increase of 39.7 per cent year-on-year and net profit of VND577 billion, an increase of 30.3 per cent year-on-year. The key growth drivers were a 15.0 per cent increase in the average day rate for PVD's own jack-up rigs during the period; the increased number of leased rigs from three in Q2 2013 to eight in Q2 2014; and a higher utilisation rate for both owned and leased rigs. Additionally, the well services segment achieved an increase in capacity due to higher demand for all supporting services.

For 1H2014, PVD achieved VND9,000 billion in revenue and VND1,200 billion in net profit, an increase of 38.0 and 27.8 per cent year-on-year, respectively.

As at 30 June 2014, PVD closed at VND82,500 per share, representing a trailing P/E ratio of 9.5x and a P/B ratio of 2.0x. As of 30 June 2014, VOF held a stake in PVD valued at USD25.4 million.

Financial highlights

Profit and loss (VND bn)	**FY11A**	**FY12A**	**FY13A**	**1H14**
Net revenue	9,211	11,929	14,867	9,937
Net profit	1,067	1,322	1,883	1,327
Net margin (%)	11.7%	12.1%	13.5%	13.4%
EPS (adjusted) (VND)	5,088	5,621	7,533	4,825
Balance sheet (VND bn)				
Total assets	18,535	19,084	21,492	23,074
Shareholders' equity	6,202	6,992	9,838	11,097
ROE (%) [1]	17.2%	18.9%	19.1%	23.9%
Valuation				
PER (x)	6.3	6.0	8.0	9.5
P/B (x)	1.1	1.1	1.7	2.0
Dividend yield (%)	6.0%	4.0%	1.6%	0.0%

[1] Annualised ROE (%).

Hau Giang Pharmaceuticals (DHG)
Hau Giang Pharmaceuticals is one of the leading domestic pharmaceutical manufacturers in Vietnam. DHG's self-manufactured products accounted for 91 per cent of its total revenue in 1H2014. The company's total production was doubled to eight billion units when its new non-betalactam factory began operations in June after a trial run earlier this year.

1H2014 net revenue totaled USD81.1 million, an increase of 10.0 per cent year-on-year. Self-manufactured products was the largest revenue contributor, growing 15.0 per cent year-on-year. 1H2014 net income increased strongly to USD13.0 million (+12.4 per cent year-on-year). Given that the company's old factory has been running beyond full capacity for the past two years, management expects DHG's new factory to double production capacity and increase sales volume by nearly 20 per cent per annum over the next five years.

DHG closed at VND98,000 per share as at 30 June 2014, representing a market capitalisation of USD402 million, a trailing P/E ratio of 13.6x and a P/B ratio of 4.2x. As at 30 June 2014, VOF held a 7.2 per cent stake in the DHG valued at USD28.9 million.

Financial highlights

Profit and loss (VND bn)	**FY11A**	**FY12A**	**FY13A**	**1H14**
Revenue	2,491	2,931	3,527	1,703
Net income	420	497	589	273
Net margin	16.9%	17.0%	16.7%	16.0%
EPS (adjusted)	4,824	5,708	6,765	3,136
Balance sheet (VND bn)				
Total assets	1,996	2,377	3,074	3,129
Shareholders' equity	1,382	1,693	1,982	2,029
ROE (%) [1]	30.4%	29.4%	32.1%	26.9%
Valuation (VND bn)				
PER (x)	8.8	9.7	12.7	13.6
P/B (x)	2.6	2.8	3.8	4.2
Dividend yield (%)	3.6%	3.9%	2.2%	3.1%

[1] Annualised ROE (%).

PetroVietnam Technical Services Corporation (PVS)

PetroVietnam Technical Services Corporation (PVS) is a leading oil and gas services company in Vietnam with parent, PetroVietnam, owning a 51 per cent stake. The company owns and operates five main services, including ships servicing offshore operations, FPSO vessels, ports, seismic surveying, construction (oil platforms) and maintenance servicing of offshore platforms and vessels.

PVS reported consolidated results with revenues of VND13,203 billion (+14 per cent year-on-year) and net profit of VND787 billion (+45 per cent year-on-year) in 1H2014, thanks to better gross margin, lower interest expenses and robust growth in profit from associate and JV companies due to FPSO Lam Son coming into operation in June 2014. PVS' Shareholders approved a 12 per cent cash dividend for FY2014 at its AGM. The 2013 cash dividend (VND1,200 per share) was paid out in Q3 2014.

As at 30 June 2014, PVS closed at VND29,200 per share, representing a trailing P/E ratio of 7.0x and a P/B ratio of 1.6x. As of 30 June 2014, VOF held a stake in PVS valued at USD21.1 million.

Financial highlights

Profit and loss (VND bn)	**FY11A**	**FY12A**	**FY13A**	**1H14**
Net revenue	24,310	24,590	25,420	13,203
Net profit	1,420	1,120	1,582	787
Net margin (%)	5.8%	4.6%	6.2%	6.0%
EPS (adjusted) (VND)	4,144	3,268	3,538	1,761
Balance sheet (VND bn)				
Total assets	15,980	15,050	16,070	26,147
Shareholders' equity	5,910	6,250	8,220	8,340
ROE (%) [1]	24.0%	17.9%	19.2%	18.9%
Valuation				
PER (x)	3.7	4.2	5.7	7.0
P/B (x)	0.8	0.7	1.1	1.6
Dividend yield (%)	6.0%	4.0%	4.1%	4.1%

[1] Annualised ROE (%).

Century 21

Century 21 was acquired in 2006 because of its prime location, close to a new traffic corridor to the CBD. The Thu Thiem tunnel which was part of the Ho Chi Minh City East-West Highway, running from the South-West to the North-East of the city, opened in November 2011. The opening of the tunnel has made the site much more accessible to the city's CBD. The project site is 100 per cent compensated and cleared. In Q4 2011, the Century 21 Nam Rach Chiec project received a 1:500 master planning parameters approval and Investment Licence. The Long Thanh Dau Giay Highway running in front of the site is currently underway with completion and opening for traffic expected in early 2015. The revised 1:500 master plan in-principal approval was received in Q2 2014 and the formal approval for the revised 1:500 detailed master plan is expected by the end of 2014.

The strategy is to divest the commercial portion of the project and secure co-investors to develop the residential component. On-site work will not commence until a co-investment partner is secured or market conditions improve. The surrounding District 2 area has seen improvements to infrastructure, which has created interest among domestic and foreign investors.

Project summary

Sector	Residential (25ha) and retail (5ha)
Area	30ha; approved GFA 526,778 sqm
Location	District 2, Ho Chi Minh City
History	Acquired in June 2006
	Site cleared and compensated in June 2008
	Revised 1:500 master plan in-principal approval received in Q2 2014
	Targeting formal approval of detailed revised 1:500 master plan within 2014
Investment rationale	A 30ha site located along new infrastructure corridor in a new desirable suburban area.

VINACAPITAL MANAGEMENT TEAM

Don Lam
Chief Executive Officer

Don Lam, a founding partner of VinaCapital, has more than 20 years of experience in Vietnam. He has overseen VinaCapital's growth from manager of a single USD10 million fund in 2003 into a leading investment management and real estate development firm in Southeast Asia, with a diversified portfolio of USD1.5 billion in assets under management. Before founding VinaCapital, Mr Lam was a partner at PricewaterhouseCoopers (Vietnam), where he led the corporate finance and management consulting practices throughout the Indochina region. Additionally, Mr Lam set up the VinaCapital Foundation whose mission is to empower the children and youth of Vietnam by providing opportunities for growth through health and education projects. He also is the Vice-Chairman, Global Agenda Council on ASEAN for the World Economic Forum. He has a degree in Commerce and Political Science from the University of Toronto, and is a member of the Institute of Chartered Accountants of Canada. He is a Certified Public Accountant and holds a Securities License in Vietnam.

Brook Taylor
Chief Operating Officer

Brook Taylor has more than 20 years of management experience, including eight years as a senior partner with major accounting firms. Previously, Brook was deputy managing partner of Deloitte in Vietnam and head of the firm's audit practice. He was also managing partner of Arthur Andersen Vietnam and a senior audit partner at KPMG. Brook has lived and worked in Vietnam since 1997. Brook's expertise spans a broad range of management and finance areas including accounting, business planning, audit, corporate finance, taxation, and IT systems risk management. He has a B.A. in Commerce and Administration from Victoria University of Wellington, New Zealand, and is a member of the New Zealand Institute of Chartered Accountants.

Andy Ho
Managing Director and Chief Investment Officer

Andy Ho is Managing Director and Chief Investment Officer of VinaCapital, where he oversees the capital markets, private equity, fixed income and venture capital investment teams. Previously, Mr Ho was Director of Investment at Prudential Vietnam's fund management company, where he managed the capital markets portfolio and Prudential's bank investment strategy. He has also held management positions at Dell Ventures (the investment group of Dell Computer Corporation) and Ernst & Young. Mr Ho is a leading authority on capital markets investment, privatisations, and private equity deals and structures in Vietnam, where he has led private placement deals totalling over USD700 million. He holds an MBA from the Massachusetts Institute of Technology and is a Certified Public Accountant in the United States.

Dang Pham Minh Loan
Deputy Managing Director

Loan Dang joined VinaCapital in August 2005 and is responsible for VOF's private equity investments. Ms Dang has led numerous private equity and private placement deals for VOF, and holds board positions at several VOF investee companies, including Hoa Phat Group and Quoc Cuong Gia Lai. Ms Dang has previous experience at KPMG Vietnam and Unilever Vietnam. She has an MBA from the University of Hawaii and holds an FCCA (UK) fellow membership and a BA in Finance and Accounting from the University of Economics, Ho Chi Minh City.

Duong Vuong
Deputy Managing Director

Duong Vuong is responsible for VOF's capital market investments. Mr Vuong has 19 years of investment experience including the last 7 years in Vietnam. Previously, Mr Vuong was a Research Head at PXP Vietnam Asset Management where he managed a team of analysts responsible for producing investment ideas for all of the firm's portfolios. Prior to working in Vietnam, he held various positions including Senior Investment Analyst for ADIA in Abu Dhabi and Banks Analyst for Merrill Lynch in London. He is a CFA charter holder having gained the CFA designation in 2001

SECTION 3

BOARD OF DIRECTORS

Steven Bates
Non-executive Chairman (Independent)

Steven Bates is a veteran investor in emerging markets, spending most of his career with the Fleming Group and its successor JP Morgan Asset Management, where he led the emerging markets team. Over the past 11 years Mr Bates has continued to manage investments across the emerging world working for Guardian Capital and has added a number of non-executive roles in investment companies.

Martin Adams
Non-executive Director (Independent)

Martin Adams has over 30 years' investment and banking experience in emerging markets and has forged a career serving as an independent director to the Boards of listed and unlisted funds. He is currently chairman of Eastern European Property Fund, Kubera Cross Border Fund, Trading Emissions, Trinity Capital and Vietnam Resources Investments and a non-executive director of a number of other funds.

Michael Gray
Non-executive Director (Independent)

Michael G. Gray has over 30 years' professional accounting experience and trained as a chartered accountant with Coopers & Lybrand in the UK. He was admitted as a member to the Institute of Chartered Accountants of England and Wales (FCA) in 1976. Prior to his accounting career, Mr Gray spent 10 years in the shipping industry. Apart from being a FCA, Mr Gray has a Bachelor of Science Degree in Maritime Studies from Plymouth University, a Masters of Arts in South East Asian Studies from the National University of Singapore and Doctor of Business (Honoris Causa) from the University of Newcastle in Australia. He is also a Fellow of the Chartered Institute of Logistics and Transport, a Fellow of the Institute of Singapore Chartered Accountants and a Fellow of the Singapore Institute of Directors.

Mr Gray was a partner in PricewaterhouseCoopers Singapore and was the founding Territorial Senior Partner for PricewaterhouseCoopers Indochina (Vietnam, Cambodia and Laos). He is a board member of several listed companies in Singapore, including Avi-tech Electronics Ltd, GSH Corporation Holdings Ltd, Ascendas India Trust. Mr Gray has also held many positions in Boards of Voluntary Welfare Organisations and government committees in Singapore.

Thuy Bich Dam
Non-executive Director (Independent)

Ms Thuy Bich Dam began her career at Vietnam's Ministry of Science, Technology and Environment National Patent Office, responsible for coordinating treaties between the government and the World Intellectual Property Organisation (WIPO) and the European Patent Office (EPO). From 1996 to 2005, Ms Dam worked as the Natural Resources Director of ANZ Investment Bank (Singapore). Following this, Ms Dam was appointed as the CEO Vietnam, CEO Greater Mekong Region and Vice Chairwoman for the Greater Mekong Region for ANZ Bank Vietnam over a span of nearly eight years. Ms Dam is currently the Head of Group Development Southeast Asia for the National Australian Bank. She holds a Bachelors degree in English from Hanoi University, an MBA Finance from The Wharton School of Business and completed the Advanced Management Program from Harvard Business.

Martin Glynn
Non-executive Director (Independent)

Martin Glynn was appointed to the VOF Board in 2008. He has 30 years of experience in the financial services industry. He worked first in the export finance industry and then for HSBC in Canada and worked his way up to President and CEO of HSBC Bank Canada. From 2003 to 2006 he served as President and CEO of HSBC Bank USA, N.A. Mr Glynn has extensive Board experience within the HSBC group of companies and externally, taking on leadership roles in the profit and not-for-profit sectors. His other public company boards are currently Sun Life Financial Inc. and Husky Energy Inc. He has two degrees from Canadian Universities.

Don Lam
Non-executive Director

Don Lam, a founding partner of VinaCapital, has more than 20 years of experience in Vietnam. He has overseen VinaCapital's growth from manager of a single USD10 million fund in 2003 into a leading investment management and real estate development firm in Southeast Asia, with a diversified portfolio of USD1.5 billion in assets under management. Before founding VinaCapital, Mr Lam was a partner at PricewaterhouseCoopers (Vietnam), where he led the corporate finance and management consulting practices throughout the Indochina region. Additionally, Mr Lam set up the VinaCapital Foundation whose mission is to empower the children and youth of Vietnam by providing opportunities for growth through health and education projects. He also is the Vice-Chairman, Global Agenda Council on ASEAN for the World Economic Forum. He has a degree in Commerce and Political Science from the University of Toronto, and is a member of the Institute of Chartered Accountants of Canada. He is a Certified Public Accountant and holds a Securities License in Vietnam.

REPORT OF THE DIRECTORS

The Board of Directors ("the Board") submits its report together with the consolidated financial statements of VOF and its subsidiaries (together "the Group") for the year from 1 July 2013 to 30 June 2014 ("the year").

VOF is incorporated in the Cayman Islands as an exempted company with limited liability. The registered office of the Company is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The Company's shares are traded on the AIM market of the London Stock Exchange. Throughout the year ended 30 June 2014 and to the date of this report, the Company complied with the AIM rules for companies.

The Company's investments are managed by VinaCapital Investment Management Limited ("VCIM" or the "Investment Manager").

Principal activities
VOF's principal activity is to undertake various forms of investment primarily in Vietnam but also in Cambodia, Laos and southern China. The Company mainly invests in listed and unlisted companies, debt instruments, private equity and real estate assets and other opportunities with the objective of achieving medium to long-term capital appreciation and investment income. The principal activities of the subsidiaries are predominantly investment holding, having investments primarily in property and hospitality management.

Life of the Company
VOF does not have a fixed life but the Board considers it desirable that Shareholders should have the opportunity to review the future of the Company at appropriate intervals. Accordingly, the Board intends that a special resolution will be proposed every fifth year that the Company ceases to continue as presently constituted. If the resolution is not passed, the Company will continue to operate. If the resolution is passed, the Directors will be required to formulate proposals to be put to Shareholders to reorganise, unitise or reconstruct the Company or for the Company to be wound up. The Board tabled such a special resolution in 2008 and in July 2013 and on both occasions it was not passed, allowing the Company to continue as presently constituted. The next special resolution on the life of the Company will be held in 2018.

Investment Policy and Valuation Policy
VOF investment objectives and investing policy are set out on pages 116 to 119. The valuation policy can be found on page 118.

Co-investments
The Investment Manager may from time to time manage other funds which have a similar or overlapping investment objective and policy to that of the Company. Circumstances may arise where investment opportunities will be available to the Company and which are also suitable for one or more of the other funds managed by the Investment Manager. Where a conflict arises in respect of an investment opportunity, the Investment Manager will allocate the opportunity on a fair basis. In such event, deals sourced by the investment teams serving the Company will normally be made on a pro rated basis between the Company and the other funds served by the investment team.

Performance
The Chairman's Statement on pages 2 to 6 and the Investment Manager's Report on pages 7 to 31 give details of VOF's activities, performance and position during the year.

The key performance indicators ("KPIs") used to measure the progress of VOF during the year are as follows:

- NAV
- The movement in the Company's share price
- Discount of the share price in relation to the NAV

Information relating to the KPIs can be found in the Financial Highlights on page 1.

Principal Risks and Uncertainties
The Board considers the following as the principal risks facing the Company. Information regarding the Company's risk management and internal control procedures is given in the following sections and in the Corporate Governance Statement and financial statements within this Annual Report.

The Company is exposed to a variety of risk factors. The Company's overall risk management programme covers the broad range of risks to which the Company is exposed. Risk management is coordinated by the Investment Manager who seeks to manage risks to an acceptable level through the implementation and operation of effective controls and/or the transfer of risk to other parties. The Board receives and reviews regular reports on all identified risks.

General market risk
The Company invests in listed and unlisted equity securities and is exposed to the market price risk of these securities.

The Company's listed equity securities are subject to price risk resulting from the potential illiquidity of the Group's total holding relative to average daily trading volume of certain listed securities and the enforcement of strict trading bands which prevent share prices from moving more than a predetermined percentage each day.

The Group's unlisted equity securities are susceptible to price risk arising from uncertainties about the future values of the relevant investment. These values may also be affected by the absence of exit opportunities which will depend, inter alia, on the general perceived attractions of investment in Vietnam.

To address these risks the Investment Manager makes investments that are consistent with the Company's objectives and monitors daily trading volumes for positions taken. Due to the size of certain holdings relative to a listed company's daily trading volume or to the total number of shares in issue, the Investment Manager may conclude that a certain level of price risk resulting from the illiquidity of positions is unacceptable. Under such circumstance the Investment Manager normally expects to realise the investment by selling part or all of the holding. The Board reviews the investment strategy at each meeting. It accepts that shareholders will be exposed to general market risk and in some cases to illiquidity risk, given both the strategy and the scale of the Company relative to local markets.

Real estate risk
The Company is subject to a broad range of real estate specific risks. These include, among other things: (i) the risks of owning properties jointly with third-party partners where sole decision-making authority may be restricted; (ii) general real estate investment considerations, such as the effect of local economic and other conditions on property values and ongoing cash flows; (iii) the illiquidity of real estate investments; (iv) potential environmental liabilities and the risk of uninsured losses; (v) the availability or otherwise of financing for real estate development; and (vi) legal issues which may arise as a result of challenges to the forms of ownership common in the local market.

Nearly two thirds of the Company's property holdings are co-invested with VNL, another fund managed by the Investment Manager. In most cases VNL holds a controlling stake in the joint venture company and therefore exerts control over the investment. As both funds are managed by the same Investment Manager, each fund's investment objectives for each property are generally the same. However, given VNL's recently established investment objective of disposing of a portion of its portfolio, the Company could potentially be put in a position where sales may be triggered earlier than ideally desired. The Board reviews all such decisions and under normal circumstances is not prepared to assume the development risk that would result from continuing to hold an investment which VNL is selling. The Company also holds a stake in VNL itself and supports the board of that company in its objective of disposing of a portion of its assets.

Valuation risk
The fair value of listed equities and bonds is based on quoted market prices at each balance sheet date and so, subject to liquidity risks, they are considered a reliable estimate of the value of such investments.

The fair value of unlisted equities (private equities) and property is determined by using industry standard valuation techniques. These valuation techniques maximise the use of observable market data where available and rely as little as possible on entity specific estimates.

Given the inherent limitations of estimating the values of unlisted equities and real estate holdings, it is likely that the actual proceeds from the sale of such assets will be different from their estimated fair value at a given point in time. The Company seeks to ensure that such investments are appropriately valued by obtaining annual valuations from suitably qualified independent valuation firms and ensuring that the Audit and Valuation Committee carefully reviews such valuation reports.

With specific reference to real estate and due to the highly subjective nature of valuing property in Vietnam, two independent valuation firms are used to value each property on the same day. The Audit and Valuation Committee may choose to accept one of these valuations or may apply its own judgement in making further adjustment to arrive at a valuation that it believes best reflects the current market value of the asset. Property valuations are also updated each six months, given the likelihood of significant changes in value over the course of each year.

Economic risks
Vietnam has experienced substantial and volatile rates of inflation in recent years. Also, from time to time in the recent past, there have been periods when a shortage of foreign currency in the market has delayed the remittance of funds outside the country. The Investment Manager seeks to manage such economic risks through the use and analysis of information provided by the Investment Manager's in-house economist and external sources, and by modifying the Company's investment strategies in response to such information.

Interest rate risk
The Company seeks to achieve a market rate of return on cash funds held for investment purposes. As a result the Group is exposed to interest rate risk related to these holdings, as well as on bond investments and on loans provided to third parties (usually in connection with real estate investments). Cash holdings, bonds and loans are typically subject to a fixed interest rate, although as these are often short-term in nature, re-pricing can occur frequently.

The Company has no significant debt and therefore it is not exposed to significant cash flow risks associated with fluctuating interest rates on loans it might have received.

The Investment Manager evaluates the Company's exposure to interest rates each month with the objective of ensuring that the rates of interest being earned and paid are appropriate for the risks the Company is exposed to through cash holdings, bonds and loans. These exposures are reviewed at each Board meeting.

Currency risk
The Company's exposure to risk resulting from changes in foreign currency exchange rates is considered to be moderate by the Board despite domestic transactions being settled in VND. The value of the VND has historically been closely linked to that of the USD, the Group's reporting currency and might be expected to decline over time by an amount equivalent to the inflation differential between VND and USD. The Group has not entered into any hedging mechanism as the estimated costs of available instruments outweigh their benefits.

On an ongoing basis the Investment Manager analyses the current economic environment and expected future conditions and decides the optimal currency mix considering the risk of currency fluctuation, interest rate return differentials and transaction costs. The Investment Manager updates the Board regularly and reports on any significant changes or further actions to be taken.

Political and legal risk
As with most emerging countries, investing in Vietnam involves certain considerations not usually associated with investments in developed countries. These include political and legal risks which may restrict or impact investment opportunities. As a one-party state, the political environment in Vietnam is relatively stable. However, changes within the government, major policy shifts or lack of consensus between the government and powerful economic groups could lead to political instability which would have an adverse effect on investments.

The legal and regulatory risks are higher in Vietnam than in many developed jurisdictions because there is still a considerable degree of legislative uncertainty, inconsistency in interpreting the laws and regulations, and unpredictability in matters of dispute resolution and the enforcement of arbitration awards. The Group seeks to manage these legal risks and others through the use of the Investment Manager's in-house legal team and external legal advisors, when appropriate.

Tax risks
The Company seeks to comply with the relevant tax jurisdictions in which it conducts its business. As an exempt company incorporated in the Cayman Islands, the Company is not subject to income, state, corporation, capital gains or other taxes in the Cayman Islands. Also, a number of the Company's subsidiaries are domiciled in the British Virgin Islands (BVI) and have a similar tax exempt status. Those subsidiaries and associate companies incorporated in Singapore and Vietnam are subject to the respective tax laws of those countries. These entities are the vehicles through which a number of the underlying investments are held.

The Investment Manager manages tax risks by obtaining appropriate professional advice before entering into binding material commitments.

Manager risk
The Company has a high level of dependence on the Investment Manager which is tasked, under the Investment Management Agreement, with carrying out most of the Company's day to day activities. For this reason the Board actively reviews the Investment Manager's key policies with respect to the hiring and maintaining of suitable resources to manage the Company. This risk is mitigated to some degree by the fact that a large team is dedicated to the management of the Company, but it is inevitable that the Company is dependent on the services of certain key employees of the Investment Manager.

Ownership risk
Whenever possible the Investment Manager seeks to structure transactions through recognised and transparent legal investment structures. However, from time to time in the past, there has been a need to structure investments using trust arrangements whereby the legal title to certain investments may be held by a third party. These arrangements expose the Group to the loss of the investment if the trustee was to renege on its obligations and no legitimate legal recourse was to present itself.

Over the last three years the Investment Manager has made a concerted effort to unwind such arrangements so that the total value of investments held under such structures is no longer material to the portfolio. Similar new arrangements will only be entered into if absolutely necessary and would be subject to appropriate operational controls and legal documentation.

Discount risk
The shares of the Company trade at a price which may differ significantly from its NAV. In recent years, the shares have traded at a large discount to that NAV and the Board has sought to limit the discount by operating a share buyback programme. There is no guarantee that this programme will be successful, although its operation at prices lower than NAV will serve to enhance that NAV. Shareholders are therefore exposed to this risk, albeit in the knowledge that the Board is attempting to mitigate it.

Distribution of Income

It is intended that the Company's income will consist wholly or mainly of investment income. The Directors currently intend to reinvest a large part of income to take advantage of opportunities meeting the Company's investment and return objectives, and where suitable opportunities are not available to distribute substantially all of the Company's income and capital gains to holders of the ordinary shares. The distribution of dividends may be made in the form of a tender offer to shareholders at NAV for tax efficiency for certain shareholders.

Results and dividend

The results of the Group for the year and the state of its affairs as at that date are set out in the consolidated financial statements on pages 55 to 113.

The Board does not recommend the payment of a dividend for the year (year ended 30 June 2013: Nil).

Discount Management

The Board has been mindful over the last several years of the wide discount to NAV per share at which the shares have been trading. In October 2011, the Board sought and obtained shareholder approval to implement a share buyback programme. By 30 June 2014, a total of 86,355,265 million shares had been bought back, a return of capital to shareholders of approximately USD166.4 million, which in turn has had a number of positive effects for shareholders:

- The discount to NAV at which the shares trade has narrowed considerably from a high of approximately 42 per cent at the commencement of the buyback programme in November 2011 to 23.5 per cent as at 30 June 2014; and
- Since the commencement of the buyback programme, the NAV per share has been enhanced by approximately 36 cents per share from these buybacks, equating to a 12.3 per cent benefit to the Company's NAV per share.

As at 27 October 2014, being the latest practicable date prior to the publication of this report, 92,984,983 million shares had been bought back. The total amount paid for these shares was USD 184.1 million.

The Board remains determined to continue to operate the share buyback programme in an effort to ensure that the share price more closely reflects the underlying NAV per share and that NAV per share continues to be enhanced. While no public announcement has been made in terms of the target percentage discount or the volume of funds to be allocated to buybacks, the Board considers the current discount to be too high.

The Board will continue to retain responsibility for setting the parameters for the discount management policy, for overseeing the management of the buyback programme and for ensuring that its policy is implemented. The Board intends to continue to seek to narrow the discount through the continued use of share buybacks and will consider using other means of addressing the discount level should it persist at the current wide level. The Board's objective is to achieve a narrowing of the discount in a manner that is sustainable over the longer term. The Board and the Investment Manager intend to consult regularly with Shareholders with a view to assessing and improving the effectiveness of the buyback programme.

Share Capital and Treasury Shares
At the year end, the Company had 324,610,259 ordinary shares in issue, of which 86,355,265 were held in treasury. As at 27 October 2014, there were 324,610,259 ordinary shares in issue of which 92,984,983 were held in treasury and 231,625,276 shares were in circulation.

Investment Manager
The Investment Manager is responsible for the day-to-day management of the Company's investment portfolio including the acquisition, monitoring and disposal of assets in line with the strategy and framework set out by the Board.

Following the shareholders' rejection of the Company's discontinuation at the EGM held in July 2013, the Company entered into an Amended and Restated Investment Management Agreement ("the Agreement") which the Board believes to be best practice for investment management agreements. The Agreement reduced the base investment management and incentive fees by 25 per cent and restructured the incentive fee to better align the interests of the Investment Manager with those of the shareholders. The notice period for termination of the Agreement remains at six months.

Investment Manager's Fees
The Investment Manager is entitled to receive from the Company a base fee ("the Management Fee") and, where applicable, a performance-related fee ("the Incentive Fee").

Under the Agreement, the Management Fee is reduced from 2 per cent per annum of the NAV of the Group to 1.5 per cent per annum of the NAV, payable monthly in arrears.

In respect of the Incentive Fee, under the previous agreement, the Investment Manager was eligible for a payment equal to 20 per cent of the performance subject to an 8 per cent hurdle and full catch up. Under the new Agreement, the level of Incentive Fee has reduced to 15 per cent per annum. The hurdle rate remains the same.

For the purpose of calculating the Incentive Fee, the net assets have been segregated into a Direct Real Estate Portfolio and a Capital Markets Portfolio. A separate Incentive Fee is calculated for each portfolio and operates independently so that for any financial year it will be possible for an Incentive Fee to become payable in relation to one, both or neither portfolio, depending on the performance of each portfolio. The amount of Incentive Fees paid in any single financial year is limited to 1.5 per cent of the applicable closing NAV of the portfolio from which the Incentive Fee was earned.

In return for the overall reduction in the quantum of the Incentive Fee that can be paid, the Board agreed to re-set the high water mark above which the Incentive Fee will be payable from USD4.09 per share to the higher of (i) 30 June 2013 NAV per share plus 5 per cent (being USD3.023) or (ii) USD3.037. The rationale for these values is that, assuming both portfolios increase in value at the same rate, the NAV per share would need to increase in the first year to at least USD3.28 (USD3.037 increased by the 8 per cent hurdle rate), the last NAV per share that a performance fee was paid, before any future incentive fee can be earned.

Continuing Appointment of the Investment Manager

The Board keeps the performance of the Investment Manager under review. It is the opinion of the Directors that the continuing appointment of VinaCapital Investment Management Limited is in the best interests of shareholders as a whole. The Investment Manager has one of the largest and best resourced investment teams in the Vietnamese markets, and has the capacity to make and monitor investments across a range of different asset classes and sectors. The team is led by Andy Ho and comprises his deputies Loan Dang and Duong Vuong and a further 13 investment analysts. In addition, the Company has access to the investment team responsible for real estate investment, a significant part of which is made by the Company in joint ventures with VNL, another closed ended Company managed by VCIM. The investment returns earned by the Company over the current year and over the longer term have been good and bear witness to the capability of the team. The investment team is supported by a full infrastructure to allow it sufficient time for investment tasks. VinaCapital also operates a risk management and control environment with the goal of controlling the risks of investing in a less developed market.

Board of Directors

The Directors who served during the year and up to the date of this report are as follows:

	Position	Date of appointment/(resignation)
Steven Bates	Chairman	5 February 2013, appointed as chairman on 1 May 2013
Martin Adams	Director	5 February 2013
Thuy Dam	Director	7 March 2014
Martin Glynn	Director	18 March 2008
Michael Gray	Director	24 June 2009
Don Lam	Director	18 March 2008

The biographies of the Directors in office as at the date of this report are shown on pages 32 and 33.

As set out in the Chairman's Statement on pages 2 to 6, Mr Glynn and Mr Lam will not seek re-election at the forthcoming AGM.

The UK Corporate Governance Code, published by the Financial Reporting Council in September 2012 ("UK Code"), provides that all directors of FTSE 350 companies should be subject to annual election by shareholders. Although VOF, as an AIM quoted company, is not required to comply with this provision, the Board is committed to achieving the highest standards of corporate governance and, as such, has decided to adopt best practice in this area. As explained in the 2013 Annual Report and Accounts the Board has decided that all Directors will stand for election annually. Accordingly, Messrs Bates, Adams and Gray will each retire and stand for re-election at the 2014 Annual General Meeting. The UK Code also provides that all directors should be subject to election by shareholders at the first annual general meeting following their appointment. Accordingly Ms Thuy, who was appointed on 7 March 2014, will retire and stand for election at the 2014 Annual General Meeting.

Directors' interests in the Company
As at 30 June 2014, the interests of the Directors in the shares are as follows:

	Direct holding	Indirect holding	Approximate direct and indirect holding
Steven Bates	–	–	–
Martin Adams	–	–	–
Thuy Dam	–	–	–
Martin Glynn	60,000	–	0.018%
Michael Gray	100,000	–	0.031%
Don Lam	1,005,859	235,342	0.382%

There have been no changes to any holdings between 30 June 2014 and the date of this report.

Substantial Shareholdings
As at 30 June 2014 and 31 August 2014, the Directors are aware of the following interests in the Company's voting rights:

	30 June 2014		31 August 2014	
Shareholder	Number of ordinary shares	% of voting rights	Number of ordinary shares	% of voting rights
Lazard Asset Management LLC	18,917,309	7.98	19,356,720	8.16
Bank of New York Mellon SA	14,635,404	6.14	14,690,404	6.21
UBS Zurich	14,635,404	6.14	15,938,409	6.73
SMBC NIKKO	14,499,533	6.09	13,900,000	5.87
State Street Bank Trust	7,823,348	3.28	8,198,348	3.46
Bank Julius Baer, Zurich	7,805,277	3.28	7,907,923	3.34
Credit Suisse	7,636,594	3.22	8,959,743	3.74

Annual General Meeting ("AGM")

As one of the enhancements agreed by the Board, following its review in 2012 of the Company's corporate governance arrangements, an AGM will be held each year. The Company's first AGM was held in November 2013 in Zurich. The Company's second AGM will be held at 4pm local time on Wednesday, 26 November 2014 at the offices of VinaCapital Singapore at 6 Temasek Boulevard, #42-01, Suntec Tower 4, Singapore 038986. The Notice of Meeting is set out on pages 114 to 115. The following notes provide an explanation of the resolutions being proposed by the Board:

Resolution 1 – Report and Accounts

The Directors are proposing an ordinary resolution to adopt the Company's financial statements for the financial year ended 30 June 2014.

Resolutions 2 – 5 – Re-election of Directors

As set out on page 42 all Directors will retire and submit themselves for re-election annually. The Board is satisfied that each of the Directors continues to be effective and demonstrates a commitment to the role and that each of the Directors continues to be able to dedicate sufficient time to their duties.

The Directors believe that the Board continues to include an appropriate balance of skills knowledge which include significant financial experience, extensive knowledge of South East Asia and experience of public companies listed on the London Stock Exchange.

Full biographies of all the Directors are set out on pages 32 and 33 and are also available for viewing on VCIM's website (http://www.vinacapital.com).

Resolution 6 – re-appointment of auditor

The Board is proposing the re-appointment of PricewaterhouseCoopers ("PwC") as the Group's auditor for the financial year to 30 June 2015. This resolution, if passed, also gives authority to the Directors to determine the auditor's remuneration.

Auditor
The Group's Auditor is PwC. PwC was appointed in November 2011, following a tender process. Shareholders approved their re-appointment at the 2013 AGM.

Corporate Governance
The Corporate Governance Statement on pages 45 to 52 forms part of the Report of the Directors.

Going Concern
The Directors have carefully reviewed the Company's current financial resources and the projected expenses for the next 12 months. On the basis of that review and as the majority of net assets are securities which are traded actively on the Vietnam Stock Exchange, the Directors are satisfied that the Company's resources are adequate for continuing in business for the foreseeable future and that it is appropriate to prepare the Group's financial statements on a going concern basis.

Subsequent events after the reporting date
No significant events have occurred since the reporting date which would impact on the financial position of the Group as disclosed in the Consolidated Balance Sheet as at 30 June 2014 or on the results and operations and cash flows of the Group for the year then ended.

On behalf of the Board

Steven Bates
Chairman
VinaCapital Vietnam Opportunity Fund Limited
28 October 2014

CORPORATE GOVERNANCE STATEMENT

The Board is committed to attain and maintain a high standard of corporate governance, with the ultimate aim being to protect shareholders' and other stakeholders' interests. In early 2012, the Board undertook a review of the Company's corporate governance structure in light of developments in international standards and practices since the Company was incorporated in 2003. The review resulted in a number of changes designed to enhance shareholders' rights, relating to annual general meetings, the re-election of Directors and the ability of shareholders to demand the convening of an extraordinary general meeting.

The Company is admitted to trading on AIM and, as such, is not required to meet the same standards of corporate governance as applied by companies listed on the Main Market of the London Stock Exchange. Nevertheless, the Board has considered the principles and recommendations of the Association of Investment Companies' Code of Corporate Governance ("AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies ("AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code ("the UK Code"), as well as setting out additional principles and recommendations on issues that are of specific relevance to investment companies. The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Code), will provide better information to shareholders. The AIC Code can be found on the AIC website at www.theaic.co.uk/aic-code-of-corporate-governance.

The UK Code includes provisions relating to:

- The role of the chief executive;
- Executive directors' remuneration; and
- The need for an internal audit function.

For the reasons set out in the AIC Guide and in the preamble to the AIC Code, and as explained in the UK Code the Board considers these provisions are not relevant to the position of the Company, being an externally managed investment company. In particular, all of the Company's day-to-day management and administration functions are outsourced to third parties. The Company has therefore not reported further in respect of these provisions.

City Code on Takeovers and Mergers (the "City Code")
The Panel on Takeovers and Mergers supervises and regulates takeovers and other matters to which the City Code applies. The City Code does not apply to the Company.

Board of Directors
The Board consists entirely of non-executive Directors.

The Board meets at least four times a year and uses a structured agenda to ensure that all key areas are reviewed, covering but not limited to the review of the Company's strategy, financial position and performance, the Investment Manager's operations and shareholder relations. During the year to 30 June 2014, the number of scheduled Board and Committee meetings attended by each Director was as follows:

	Board meetings	Audit and Valuation Committee meetings	Management Engagement Committee meetings*	Nomination Committee meetings*	Remuneration Committee meetings*
Steven Bates†	5 (5)	6 (6)	2 (2)	1 (1)	2 (2)
Martin Adams‡	5 (5)	6 (6)	2 (2)	1 (1)	2 (2)
Thuy Dam	3 (3)	2 (2)	0 (0)	0 (0)	0 (0)
Martin Glynn	5 (5)	6 (6)	2 (2)	1 (1)	2 (2)
Michael Gray±	5 (5)	6 (6)	2 (2)	1 (1)	2 (2)
Don Lam	5 (5)	N/A	N/A	N/A	N/A

† Steven Bates is Chairman of the Board and the Nomination Committee.

‡ Martin Adams is Chairman of the Management Engagement Committee.

± Michael Gray is Chairman of the Audit and Valuation Committee.

* During the year the Remuneration, Nomination and Management Engagement Committee ceased to exist. Meetings held by that Committee have been included in the calculation of meetings held by the Management Engagement Committee, Nomination Committee and Remuneration Committee held during the year.

Figures in brackets indicate the number of meetings held in the year in respect of which the individual was eligible to attend as either a Board or Committee member. Mr Lam is not a member of any of the Board Committees, so his attendance at those meetings is not included in the table above.

Board responsibilities
The Board is responsible to shareholders for the determination and implementation of the Company's investment policy, and the direction and long-term performance of the Company and the entities which it controls. The Board oversees the implementation of a high standard of corporate governance with respect to the Company's affairs, strategy, direction and the supervision of the Investment Manager, as stipulated in the Investment Management Agreement ('IMA'). The IMA documents the Investment Manager's responsibilities and authority to enter or exit investments, or enter into any commitments on behalf of the Company. Under the agreement, the Board ensures the Investment Manager follows the Board's strategic direction to achieve the investment objectives in the identification, acquisition, management and disposal of investments and the determination of any financing arrangements.

The Company's Directors have direct access to the Company's Nominated Adviser, lawyers, brokers and the Investment Manager's Legal Counsel and Head of Compliance.

Chairman and Senior Independent Director
Steven Bates is the Chairman of the Board. Mr Bates is considered by his fellow independent Board members to be independent, to have no conflicting relationships, and to have sufficient time to commit to the Company's affairs as necessary. Given the size and nature of the Board it is not considered appropriate at the present time to appoint a senior independent director, as recommended by the AIC Code.

Board independence and composition
In accordance with the AIC Code, the Board has reviewed the independent status of each individual Director and the Board as a whole.

A majority of the Board is independent of the Investment Manager. The Board is comprised of five independent Directors, including the Chairman, and one non-independent Director, Mr Lam. Mr Lam is the Chief Executive Officer of the Investment Manager, VCIM, and a Director of VinaCapital Group Limited. Mr Lam and Mr Glynn will not be seeking re-election at the 2014 AGM. Following their retirement the Board will consist of four non-executive directors all of whom are independent of VCIM.

The Board believes that each Director has appropriate qualifications, industry experience and expertise to guide the Company and that the Board as a whole has an appropriate balance of skills, experience and knowledge. The Directors' biographies can be found on pages 32 and 33.

The selection of new Board members is initiated by recommendations from current Board members, shareholders, and/or referrals from international recruitment agencies. After a shortlist of potential members is created and reviewed by the Nomination Committee, a final candidate is nominated and presented to the Board for final consideration.

Re-election of Directors
All continuing Directors will submit themselves for annual re-election and therefore a policy on tenure is not deemed necessary.

Following recommendations from the Nominations Committee, the Board considers that all Directors continue to be effective, committed to their roles and have sufficient time available to perform their duties. Messers Bates, Adams and Gray will seek re-election at the Company's forthcoming AGM. Being the first AGM since her appointment, Ms Thuy will seek election at the forth coming AGM. Below are brief descriptions of the experience and knowledge the Directors standing for election/re-election bring to the boardroom.

Steven Bates – was appointed to the Board in May 2013 bringing to the role his experience as a fund manager specialising in emerging markets and closed ended funds. Steven is an experienced and effective chairman, already demonstrating his commitment to the Company.

Michael Gray – has extensive experience in accounting and auditing in Vietnam and the region generally. A very effective chairman of the Audit and Valuation Committee, Michael continues to devote considerable time and effort to the role as well as participating fully in broader Board discussions.

Martin Adams – an expert in closed ended funds with an excellent reputation as a champion of shareholder rights, Martin has a background as an Asian investment specialist, having managed funds in Vietnam since 1989, and is a very effective advocate for applying the highest standards across all areas of the Company's operations.

Thuy Dam – has had a distinguished career as a banker in the Indochina region, mostly spent with ANZ Banking Group. She has unusually extensive knowledge of the Vietnamese investment environment and brings an independent and expert view of many of the issues faced by the Company.

The Directors' terms of engagement are set out in letters of appointment which are available for inspection at the company's registered office and at the AGM.

Board committees
During the year, there were four Board committees in operation: the Audit and Valuation Committee, Management Engagement Committee, Remuneration Committee and Nomination Committee. Each Committee was comprised solely of independent Directors. The chairmanship and membership of each Committee throughout the year, and the number of meetings held during the year, is shown in the table on page 46. A summary of the duties of each of the Committees is provided below. The terms of reference are available on the Company's website: www.vinacapital.com/VOF.

Audit and Valuation Committee
The Audit and Valuation Committee, which will meet at least twice a year, comprises all independent Directors and is chaired by Mr Gray.

The Committee is responsible for monitoring the process of production and ensuring the integrity of the Company's accounts. The primary responsibilities of the Committee are: to oversee the relationship with the Auditor and make recommendations to the Board in relation to their re-appointment and to approve their remuneration and terms of engagement; to assess the Auditor's independence and objectivity and the effectiveness of the audit process; to review the effectiveness of the Company's internal control environment; to identify, assess, monitor and mitigate the risks associated with the Company's business; to monitor adherence to best practice in corporate governance; and to review the Company's whistleblowing arrangements and its procedures for detecting fraud and preventing bribery and corruption.

In discharging its responsibility to oversee the Auditor's independence, the Audit and Valuation Committee considers whether any other engagements provided to the auditor will have an effect on, or perception of, compromising the Auditor's independence and objectivity. The performance of services outside of external audit must be specific and approved by the Audit and Valuation Committee Chairman.

In respect of its remit over the valuation of investments, the Committee's primary goal is to ensure that the Company's investments are recorded at fair value. In doing so, the Committee reviews the reports of independent valuation specialists as well as reviewing the Investment Manager's valuation process. Each individual valuation is reviewed in detail and the recommendations of the independent valuers may be accepted or modified. The Committee approves the fair value of investments used to prepare the financial statements.

The Audit and Valuation Committee's Chairman presents the Committee's findings to the Board at each Board meeting.

Management Engagement Committee
The Management Engagement Committee comprises all independent Directors and is chaired by Mr Adams. The Committee's responsibilities include: reviewing the performance of the Investment Manager under the Investment Management Agreement and to consider any variation to the terms of the agreement. The Management Engagement Committee also reviews the performance of the nominated adviser, company secretary, corporate brokers, custodian, administrator and registrar and any matters concerning their respective agreements with the Company.

Remuneration Committee
The Remuneration Committee comprises all independent Directors and was chaired by Mr Glynn for the year to 30 June 2014. Following his retirement after the AGM, the Chairmanship will be taken on by Ms Dam. The Committee's responsibilities include: setting the policy for the remuneration of the Company's Chairman, the Audit and Valuation Committee Chairman and the Directors, and reviewing the ongoing appropriateness and relevance of the remuneration policy; determining the individual remuneration policy of each non-executive Director; agreeing the policy for authorising Directors' expenses claims; and the selection and appointment of any remuneration consultants who advise the Committee.

Nomination Committee
The Nomination Committee comprises all independent Directors and is chaired by Mr Bates. The Committee's responsibilities include: reviewing the structure, size and composition of the Board and making recommendations to the Board in respect of any changes; succession planning for the Chairman and the Directors; making recommendations to the Board concerning the membership and chairmanship of the Board committees; identifying and nominating for the approval of the Board candidates to fill Board vacancies; and, before any new appointment is recommended; evaluating the balance of skills, knowledge, experience and diversity within the Board and preparing an appropriate role description.

The Management Engagement Committee, the Remuneration Committee and the Nomination Committee will each meet at least once a year.

Internal Controls and Risk Management
The Board is responsible for determining the nature and extent of the significant risks which it is willing to take in achieving its strategic objectives and maintaining sound risk management and internal control systems and for reviewing their effectiveness.

The risk management process and systems of internal control are designed to manage rather than eliminate the risk of failure to achieve the Company's objectives. It should be recognised that such systems can only provide reasonable, not absolute, assurance against material misstatement or loss.

Risk management system
The Investment Manager's Enterprise Risk Management ('ERM') framework provides a structured approach to managing risk across all of its managed funds by establishing a risk management culture through education and training, formalised risk management procedures, defining roles and responsibilities with respect to managing risk, and establishing reporting mechanisms to monitor the effectiveness of the framework. The Audit Committee works closely with the Investment Manager on the application and review of the ERM framework to the Company's risk environment.

Regular risk assessments and reviews of internal controls are undertaken by the Board in the context of the Company's investment policy. The review covers the strategic, investment, operational and financial risks facing the Company. In arriving at its judgement of the risks the Company faces, the Board has considered the Company's operations in the light of the following factors:

- the nature and extent of risks which it regards as acceptable for the Company to bear within its overall business objective;
- the threat of such risks becoming reality;
- the Company's ability to reduce the incidence and impact of risk on its performance; and
- the cost to the Company and benefits related to the Company of third parties operating the relevant controls.

Internal control assessment process
The key procedures which have been established to provide effective internal financial controls are as follows:

- investment management is provided by VCIM. The Board is responsible for the implementation of the overall investment policy and monitors the investment performance, actions and regulatory compliance of the Investment Manager at regular meetings;
- accounting is provided by VCIM;
- the provision of fund administration and custody of assets is undertaken by HSBC Institutional Trust Services Limited;
- the duties of investment management, accounting and custody of assets are appropriately segregated. The procedures of the individual parties are designed to complement one another;
- VCIM, on behalf of the Directors of the Company, clearly defines the duties and responsibilities of their agents and advisers in the terms of their contracts. The appointment of agents and advisers is conducted after consideration of the quality of the parties involved. The Management Engagement Committee (previously the Remuneration Committee) monitors their ongoing performance and contractual agreements;
- mandates for authorisation of investment transactions and expense payments are set by the Board and documented in the Investment Management Agreement; and
- the Board receives financial information produced by the Investment Manager on a regular basis. Board meetings are held at least once a quarter to review such information.
- Actions are taken to remedy any significant failings or weaknesses, if identified. No major control deficiencies were identified during the year or up to the date of this report.

Internal audit

The Company does not have its own internal audit function. All of the Company's management functions are delegated to independent third parties whose controls are reviewed by the Investment Manager and the Board. It is therefore felt that there is no requirement for the Company to have an internal audit function separate from that retained by the Investment Manager.

The Investment Manager appointed KPMG Vietnam as its internal auditor for the fiscal year. The internal audit work was performed based on an internal audit plan reviewed by the Company's Audit Committee. The internal auditors have unrestricted access to the business and the Company's Audit and Valuation Committee. They performed audits of the control environment, procedures, and internal controls in respect to the audit areas selected for review. The internal auditor presents its findings to the Audit and Valuation Committee. During the year, no serious control breaches were reported.

Following a tender process and after the Company's year end, KPMG were replaced by EY, with the agreement of the Board. The Board will continue to have direct access to the internal auditor who will be responsible for the implementation of a detailed plan which has been agreed by the Board. EY will also respond to specific requests of the directors and will disclose all applicable findings to the Board.

Code of Conduct and Compliance

All employees of the Investment Manager must adhere to the Code of Conduct set out in the Investment Manager's Compliance manual. The Investment Manager has adopted a Code of Conduct based on the International Organisation of Securities Commissions ("IOSCO") International Code of Business Principles 1990, which serves as a model reference for regulators in Vietnam. The manual also incorporates the necessary requirements of any applicable anti-bribery and corruption regulations.

All staff are required to sign an annual compliance attestation confirming compliance with the Code of Conduct and Compliance manual, including their commitment to the fraud and whistleblower policies and procedures. Non-compliance will result in disciplinary action.

Shareholder relations

The Board retains oversight of this process by monitoring the investor relations activities of the Investment Manager and the shareholder profile. Dialogue with shareholders is given a high priority by the Directors, who are keen to improve channels of communication and encourage shareholders to engage directly, the first step being the Board's commitment to hold Annual General Meetings. Shareholders are encouraged to attend and vote at the Annual General Meeting to be held on Wednesday, 26 November 2014 and any shareholder wishing to lodge questions in advance of the meeting is invited to do so by writing to ir@vinacapital.com.

Voting Policy

The exercise of the voting rights attached to the Company's portfolio has been delegated to the Manager who as a policy votes at all meetings of investee companies.

DIRECTORS' REMUNERATION REPORT

Policy on Directors' Fees

The Board's policy is that the remuneration of the independent non-executive Directors should reflect the experience and time commitment of the Board as a whole, and is determined with reference to comparable organisations and available market information each year.

Independent Directors' Fees

The fees for the independent Directors are determined within the limit set out in the Company's Articles of Association, which provide that the aggregate total remuneration paid to independent Directors shall not exceed USD500,000 (or such higher amount as may be approved by the Company in a general meeting) in respect of any 12-month period.

For the year to 30 June 2014, Directors' remuneration remained the same, being USD90,000 for the Chairman and USD75,000 for the independent Directors, with USD5,000 for membership of the Audit and Valuation Committee and USD15,000 for chairmanship of the same.

Directors' Emoluments for the Year

The Directors who served during the year received the following emoluments in the form of fees.

	Year to 30 June 2014 USD	Year to 30 June 2013 USD
Steven Bates (appointed 5 February 2013)	90,000	27,500
William Vanderfelt (resigned 1 May 2013)	–	75,000
Martin Adams (appointed 5 February 2013)	80,000	18,333
Thuy Dam (appointed 7 March 2014)	19,000	–
Michael Gray	90,000	60,000
Martin Glynn	80,000	60,000
Don Lam	–	–
	364,000	240,833

Mr Lam does not receive emoluments from the Company.

STATEMENT OF DIRECTORS’ RESPONSIBILITIES

Board of Directors’ responsibility in respect of the consolidated financial statements
When preparing the consolidated financial statements, the Board of Directors is required to:

i. adopt appropriate accounting policies which are supported by reasonable and prudent judgements and estimates and then apply them consistently;

ii. comply with the disclosure requirements of International Financial Reporting Standards as issued by the International Accounting Standards Board (“IASB”) or, if there have been any departures in the interest of fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the consolidated financial statements;

iii. maintain adequate accounting records and an effective system of internal control;

iv. prepare the consolidated financial statements on a going concern basis unless it is inappropriate to assume that the Company will continue its operations in the foreseeable future; and

v. control and direct effectively the Group in all material decisions affecting its operations and performance and ascertain that such decisions and/or instructions have been properly reflected in the consolidated financial statements.

The Board of Directors is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and errors.

The Board of Directors confirms that the Group has complied with the above requirements in preparing the consolidated financial statements.

Statement by the Board of Directors
In the opinion of the Board of Directors, the accompanying consolidated balance sheet, consolidated statement of changes in equity, consolidated income statement, consolidated statement of comprehensive income, and consolidated statement of cash flows, together with the notes thereto, have been properly drawn up and give fair presentation of the financial position of the Group as at 30 June 2014 and the results of its operations and cash flows for the year ended on that date in accordance with the International Financial Reporting Standards as issued by the IASB.

On behalf of the Board of Directors

Steven Bates
Chairman
VinaCapital Vietnam Opportunity Fund Limited
28 October 2014

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying consolidated financial statements set out on pages 55 to 113, which comprise the consolidated balance sheet of VinaCapital Vietnam Opportunity Fund Limited ("the Company") and its subsidiaries (together "the Group") as at 30 June 2014, the consolidated statements of changes in equity, the consolidated statement of income, the consolidated statement of comprehensive income, and the consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements
The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards ("IFRS"), and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of consolidated financial statements that give a true and fair view 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements give a true and fair view of the state of affairs of the Group as at 30 June 2014, and of its financial performance and cash flows for the year then ended in accordance with IFRS.

Other matters
This report, including the opinion, has been prepared for and only for you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

PricewaterhouseCoopers
Certified Public Accountants
28 October 2014

CONSOLIDATED FINANCIAL STATEMENTS

	Note	30 June 2014 USD'000	30 June 2013 USD'000
ASSETS			
Non-current			
Plant and equipment		3,114	3,093
Investment properties		4,175	3,722
Interests in associates	5	169,505	182,090
Prepayments for acquisition of investment properties	6	7,895	8,239
Financial assets at fair value through profit or loss	11	4,697	4,697
Available-for-sale financial assets	7	6,033	5,784
Long-term loan to an associate	28(d)	–	1,325
Other non-current assets		792	207
Total non-current assets		**196,211**	**209,157**
Current			
Inventories	9	7,216	7,413
Trade and other receivables	10	14,515	17,918
Short-term loans to related parties	28(d)	5,235	7,501
Financial assets at fair value through profit or loss	11	552,339	467,762
Available-for-sale financial assets	7	–	8,700
Term deposit		4,695	–
Cash and cash equivalents	12	21,551	53,392
Total current assets		**605,551**	**562,686**
Assets classified as held for sale	13	3,726	–
Total assets		**805,488**	**771,843**

The notes on pages 63 to 113 are an integral part of these consolidated financial statements.

EQUITY AND LIABILITIES	Note	30 June 2014 USD'000	30 June 2013 USD'000
EQUITY			
Equity attributable to shareholders of the Company			
Share capital	14	3,246	3,246
Additional paid-in capital		722,064	722,064
Treasury shares	15	(165,939)	(113,639)
Revaluation reserve	16	33,281	31,376
Available-for-sale financial assets reserve		–	4,336
Foreign currency translation reserve		(19,186)	(18,763)
Retained earnings		205,489	123,823
Total equity attributable to shareholders of the Company		**778,955**	**752,443**
Non-controlling interests		**849**	**1,089**
Total equity		**779,804**	**753,532**
LIABILITIES			
Non-current			
Other long-term liabilities		189	236
Total non-current liabilities		**189**	**236**
Current			
Short-term bank borrowings	17	7,839	2,261
Trade and other payables	18	4,566	13,658
Payable to related parties	28(c)	13,090	2,156
Total current liabilities		**25,495**	**18,075**
Total liabilities		**25,684**	**18,311**
Total equity and liabilities		**805,488**	**771,843**
Net asset value, USD per share attributable to shareholders of the Company	26(c)	**3.27**	**2.88**

The notes on pages 63 to 113 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

	Attributable to shareholders of the Company									
	Share capital USD'000	Additional paid-in capital USD'000	Treasury shares USD'000	Revaluation reserve USD'000	Available-for-sale financial assets reserve USD'000	Foreign currency translation reserve USD'000	Retained earnings USD'000	Total USD'000	Non-controlling interests USD'000	Total equity USD'000
Balance at 1 July 2012	**3,246**	**722,064**	**(17,785)**	**28,602**	**14,180**	**(17,011)**	**32,349**	**765,645**	**–**	**765,645**
Profit for the year	–	–	–	–	–	–	90,254	**90,254**	(202)	**90,052**
Disposal of associate	–	–	–	(1,220)	–	–	1,220	**–**	–	**–**
Other comprehensive income/(loss)	–	–	–	3,994	(9,844)	(1,752)	–	**(7,602)**	(151)	**(7,753)**
Total comprehensive income/(loss) for the year	–	–	–	2,774	(9,844)	(1,752)	91,474	**82,652**	(353)	**82,299**
Acquisition of subsidiary	–	–	–	–	–	–	–	**–**	1,442	**1,442**
Transactions with shareholders										
Ordinary shares repurchased	–	–	(95,854)	–	–	–	–	**(95,854)**	–	**(95,854)**
Balance at 30 June 2013	**3,246**	**722,064**	**(113,639)**	**31,376**	**4,336**	**(18,763)**	**123,823**	**752,443**	**1,089**	**753,532**
Balance at 1 July 2013	**3,246**	**722,064**	**(113,639)**	**31,376**	**4,336**	**(18,763)**	**123,823**	**752,443**	**1,089**	**753,532**
Profit for the year	–	–	–	–	–	–	81,666	**81,666**	(239)	**81,427**
Other comprehensive income/(loss)	–	–	–	1,905	(4,336)	(423)	–	**(2,854)**	(1)	**(2,855)**
Total comprehensive income/(loss) for the year	–	–	–	1,905	(4,336)	(423)	81,666	**78,812**	(240)	**78,572**
Transactions with shareholders										
Ordinary shares repurchased	–	–	(52,300)	–	–	–	–	**(52,300)**	–	**(52,300)**
Balance at 30 June 2014	**3,246**	**722,064**	**(165,939)**	**33,281**	**–**	**(19,186)**	**205,489**	**778,955**	**849**	**779,804**

The notes on pages 63 to 113 are an integral part of these consolidated financial statements.

	Note	Year ended 30 June 2014 USD'000	Year ended 30 June 2013 USD'000
Revenue	19	11,445	9,982
Cost of sales	19	(8,377)	(7,639)
Gross profit		**3,068**	**2,343**
Dividend income		19,804	23,906
Interest income	20(a)	1,951	3,427
Fair value gain of financial assets at fair value through profit or loss, net	21	97,307	89,254
Fair value gain on investment property		473	-
Selling, general and administration expenses	22(a)	(26,864)	(20,740)
Other income	23	6,558	11,122
Other expenses	24	(14,725)	(9,327)
Operating profit		**87,572**	**99,985**
Finance income	20(b)	224	89
Finance costs	20(b)	(938)	(1,136)
Finance costs, net		(714)	(1,047)
Share of losses of associates, net of tax	5	(4,230)	(8,214)
		(4,944)	(9,261)
Profit before tax		**82,628**	**90,724**
Corporate income tax		(64)	(16)
Withholding taxes on investment income		(1,137)	(656)
Profit for the year		**81,427**	**90,052**
Profit attributable to:			
Shareholders of the Company		81,666	90,254
Non-controlling interests		(239)	(202)
		81,427	90,052
Earnings per share – basic and diluted (USD per share)	**26(a),(b)**	**0.33**	**0.31**

The notes on pages 63 to 113 are an integral part of these consolidated financial statements.

Consolidated Statement of Other Comprehensive Income

	Note	Year ended 30 June 2014 USD'000	30 June 2013 USD'000
Profit for the year		**81,427**	**90,052**
Other comprehensive income/(loss)			
Items that will be reclassified subsequently to profit or loss:			
– Disposal of available-for-sale financial assets		(4,336)	(9,844)
– Currency translation differences		(424)	(1,903)
		(4,760)	**(11,747)**
Items that will not be reclassified subsequently to profit or loss:			
– Share of revaluation reserve of associates	16	1,905	3,994
Other comprehensive loss for the year		**(2,855)**	**(7,753)**
Total comprehensive income for the year		**78,572**	**82,299**
Attributable to:			
Shareholders of the Company		78,812	82,652
Non-controlling interests		(240)	(353)
		78,572	**82,299**

The notes on pages 63 to 113 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

	Note	Year ended 30 June 2014 USD'000	Year ended 30 June 2013 USD'000
Cash flows from operating activities			
Profit before tax		82,628	90,724
Adjustments for:			
– Asset depreciation and write off		674	531
– Net gain from realisation of financial assets at fair value through profit or loss	21	(9,134)	(34,753)
– Unrealised gain from revaluation of financial assets at fair value through profit or loss	21	(88,173)	(54,501)
– Loss on acquisition of investment		–	449
– Gain on disposal of available-for-sale financial assets	23	(4,336)	(9,954)
– Loss on disposal of associates		–	667
– Fair value gain of investment properties		(473)	–
– Gain on disposal of plant and equipment		(69)	–
– Share of losses of associates	5	4,230	8,214
– Unrealised losses from foreign exchange differences	20(b)	76	168
– Interest expense	20(b)	573	281
– Reversal of impairment losses	23	(249)	–
– Impairment of other assets	24	14,045	1,937
(Loss)/profit before changes in working capital		**(208)**	**3,763**
Change in trade receivables and other assets		(3,184)	2,604
Change in inventories		197	(238)
Change in trade payables and other liabilities		9,041	3,359
Income taxes paid		(1,201)	(672)
Net cash inflow from operating activities		**4,645**	**8,816**

The notes on pages 63 to 113 are an integral part of these consolidated financial statements.

	Note	Year ended 30 June 2014 USD'000	30 June 2013 USD'000
(continued)			
Cash flows from investing activities			
Purchases of plant and equipment		(756)	(400)
Proceeds from disposal of plant and equipment		96	–
Dividends received	5	2,837	4,750
Acquisition of a subsidiary, net of cash acquired		–	(1,235)
Financial assets at fair value through profit or loss:			
– Acquisitions of investments		(76,216)	(104,865)
– Proceeds from disposals		88,947	148,843
Investments in associates:			
– Acquisition of investments		(1,137)	(46)
– Investment refunded		–	313
– Proceeds from disposals		2,663	–
Available-for-sale financial assets:			
– Proceed from disposals		–	19,650
Assets classified as held for sale:			
– Proceed from disposals		5,375	25,238
Term deposit at bank		(4,695)	–
Shareholder loans:			
– Advances made		(1,888)	(1,779)
– Repayments received	28(d)	2,829	1,514
Net cash inflow from investing activities		**18,055**	**91,983**

The notes on pages 63 to 113 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows *(continued)*

	Note	Year ended 30 June 2014 USD'000	Year ended 30 June 2013 USD'000
(continued)			
Cash flows from financing activities			
Interest paid	20(b)	(573)	(281)
Ordinary shares bought back		(59,545)	(88,609)
Loan proceeds from banks		25,798	7,087
Loan repayments to banks		(20,221)	(6,638)
Net cash outflow from financing activities		**(54,541)**	**(88,441)**
Net (decrease)/increase in cash and cash equivalents for the year		**(31,841)**	**12,358**
Cash and cash equivalents at the beginning of the year		53,392	41,034
Cash and cash equivalents at the end of the year	12	**21,551**	**53,392**

The notes on pages 63 to 113 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

VinaCapital Vietnam Opportunity Fund Limited ("the Company") is a limited liability company incorporated in the Cayman Islands. The registered office of the Company is PO Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands. The Company's principal objective is to undertake various forms of investment, primarily in Vietnam, as well as Cambodia, Laos and southern China. The Group and the Company invest in listed and unlisted companies, debt instruments, private equity, real estate assets, and other opportunities with the objective of achieving medium to long-term capital appreciation and investment income.

The Company is listed on the AIM market of the London Stock Exchange under the ticker symbol VOF.

The Group is managed by VinaCapital Investment Management Limited (the "Investment Manager" or "VCIM"), an investment management company incorporated in the Cayman Islands, under an amended and restated Investment Management Agreement dated 24 June 2013 which became effective as of 1 July 2013 (the "Amended Management Agreement").

The Company does not have a fixed life, but the Board considers it desirable that shareholders should have the opportunity to review the future of the Company at appropriate intervals. Accordingly, the Board intends that a special resolution will be proposed every fifth year, that the Company ceases to continue as presently constituted. If the resolution is not passed, the Company will continue to operate. If the resolution is passed, the Board will be required to formulate proposals to be put to shareholders to reorganise, unitise or reconstruct the Company or for the Company to be wound up. The Board tabled such a special resolution on 22 July 2013 and it was not passed, allowing the Company to continue as presently constituted for another five years.

The consolidated financial statements for the year ended 30 June 2014 were approved for issue by the Board on 28 October 2014.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented.

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with IFRS as issued by the IASB. The consolidated financial statements have been prepared using the historical cost convention, as modified by the revaluation of properties, available-for-sale financial assets, financial assets at fair value through profit or loss, and financial liabilities at fair value through profit or loss. The financial statements have been prepared on a going concern basis.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires judgement to be exercised in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Changes in accounting policy and disclosures

a) *New standards and amendments adopted by the Group*

The following new standards and amendments are mandatory for the first time for the financial year beginning 1 July 2013 and the Group adopted them in these consolidated financial statements:

IFRS 10, 'Consolidated financial statements', builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.

IFRS 12, 'Disclosures of interests in other entities', includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles.

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.

b) *New standards, amendments and interpretations issued but not yet in effect for the financial year beginning on or after 1 July 2013 and have not been adopted early by the Group*

At the date of authorisation of these consolidated financial statements, new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Group. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's consolidated financial statements are provided below:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The Group is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting year ending 30 June 2016. The Group will also consider the impact of the remaining phases of IFRS 9 when completed by the IASB.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Changes in accounting policy and disclosures *(continued)*

b) *New standards, amendments and interpretations issued but not yet effective for the financial year beginning on or after 1 July 2012 and not early adopted by the Group (continued)*

Amendments to IFRS 10, 'Consolidated financial statements', apply to a particular class of business that qualify as Investment Entities. The Investment Entities amendments provide an exception to the consolidation requirements in IFRS 10 and require investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. The amendments also set out disclosure requirements for investment entities. The Group intends to adopt the Amendments to IFRS 10 in the effective accounting year ending 30 June 2015.

Amendments to IAS 36, 'Impairment of assets', on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of cash generating units which had been included in IAS 36 by the issue of IFRS 13. The Group intends to adopt the Amendments to IAS 36 in the effective accounting year ending 30 June 2015.

IFRS 15, 'Revenue from contracts with customers', sets out the requirements for recognising revenue that apply to all contracts with customers (except for contracts that are within the scope of the standards on leases, insurance contracts and financial instruments). The Group is yet to assess IFRS 15 full impact and intends to adopt IFRS 15 no later than the accounting year ending 30 June 2018.

There are no other IFRS or IFRS Interpretations Committee ("IFRIC") interpretations that are not yet effective that would be expected to have a material impact on the Group's consolidated financial statements.

2.3 Consolidation

a) *Subsidiaries*

Subsidiaries are all entities, including structured entities, over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated on the date that control ceases. The majority of the Group's subsidiaries have a reporting date of 30 June. For subsidiaries with a different reporting date, the Group consolidates management information up to 30 June.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or an amount equal to the proportion of the non-controlling interest of the acquiree's identifiable net assets.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3 Consolidation *(continued)*

a) *Subsidiaries (continued)*

If a business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

b) *Associates*

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee company after the date of acquisition. The Group's interest in associates includes goodwill identified on acquisition and long-term loans to associates which in substance form part of the Group's interest in the associate.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3 Consolidation *(continued)*

b) Associates (continued)

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including long term interest that in substance forms part of the investor's net investment in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the interest in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of associates' in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising from investments in associates are recognised in the income statement.

2.4 Foreign currency translation

a) Functional and presentation currency

The Group's consolidated financial statements are presented in United States dollars (USD) ("the presentation currency"). The financial statements of each consolidated entity are initially prepared in the currency of the primary economic environment in which the entity operates ("the functional currency"), which for most investments is the Vietnamese dong (VND). The financial statements prepared using the functional currency is then translated into the presentation currency. USD is used as the presentation currency because it is the primary basis for the measurement of the performance of the Group.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.4 Foreign currency translation *(continued)*

b) Transactions and balances (continued)

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction. Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each consolidated balance sheet presented are translated at the closing rate at the date of that consolidated balance sheet;

(ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(iii) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

2.5 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable at the reporting date. The assets are classified as “asset held for sale” and presented separately in the consolidated balance sheet. They are measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair values less costs to sell.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.6 Financial assets

2.6.1 Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired.

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or are designated to be carried at fair value through profit or loss at inception. Financial assets at fair value through profit or loss held by the Group include listed and unlisted securities and bonds. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "Trade receivables" (Notes 2.11), "Cash and cash equivalents" (Notes 2.12) and "Other financial asset" in the consolidated balance sheet.

c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or there is the intention to dispose of them within 12 months of the end of the reporting period. The Group's available-for-sale financial assets are investments in private entities.

2.6.2 Recognition, de-recognition and measurement

Purchases or sales of financial assets are recognised on the date on which the Group commits to purchase or sell the asset.

Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.6 Financial assets *(continued)*

2.6.2 Recognition, de-recognition and measurement *(continued)*

If the investments do not have a quoted market price in an active market and whose fair value cannot be reliably measured, such investments shall be measured at cost, less provision for impairment.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within "fair value gain/(loss)of financial assets at fair value through profit or loss" in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement when the Group's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'gains and losses from investment securities'.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement as part of other income. Dividends on available-for-sale equity instruments are recognised in the income statement as part of other income when the Group's right to receive payments is established.

2.7 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.8 Prepayments for acquisition of investments

These represent prepayments made by the Group to investment/property vendors for land compensation and other related costs, and professional fees directly attributed to the projects, where the final transfer of the investment/property is pending the approval of the relevant authorities and/or is subject to either the Group or the vendor completing certain performance conditions set out in agreements. Such prepayments are measured initially at cost until such time as the approval is obtained or conditions are met, at which point they are transferred to appropriate investment accounts.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.9 Impairment of assets

a) Impairment of non-financial assets

Assets that have an indefinite useful life, for example, prepayments for acquisitions of investments, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

b) Impairment of financial assets

Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For the loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.9 Impairment of assets *(continued)*

b) Impairment of financial assets (continued)

Assets classified as available-for-sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For debt securities, the Group uses the criteria referred to in (a) above. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated income statement.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods includes all expenses directly attributable to the manufacturing process as well as suitable portions of related production overheads, based on normal operating capacity. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.11 Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.12 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.13 Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of ordinary shares that have been issued. Additional paid-in capital includes any premiums received on the initial issuance of the share capital. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.13 Share capital *(continued)*

Any transaction costs associated with the issuing of ordinary shares are deducted from additional paid-in capital, net of any related income tax benefits.

2.14 Treasury shares

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the treasury shares are cancelled or reissued.

Where such treasury shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

2.15 Revaluation reserve

The revaluation reserve arises from the revaluation of buildings and leasehold land improvements including hotels and golf courses held by the associates. The revaluation policy is consistent with the fair value policy as described in Note 3. Increases in the carrying amount arising on revaluation are credited to other comprehensive income and shown as revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against revaluation reserve directly in equity; all other decreases are charged to the income statement.

2.16 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.17 Current and deferred income tax

a) Corporate income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, authorities relating to the current or prior reporting periods that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the consolidated income statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.17 Current and deferred income tax *(continued)*

a) Corporate income tax (continued)

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the consolidated financial statements with their respective tax bases. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries and associates is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the reporting date. Most changes in deferred tax assets or liabilities are recognised as a component of tax expense in the consolidated income statement. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to other comprehensive income are charged or credited directly to other comprehensive income.

b) Withholding taxes on investment income

The Group currently incurs withholding taxes imposed by local jurisdictions on investment income. Such income is recorded gross of withholding taxes in the consolidated income statement.

2.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation and there is uncertainty about the timing or amount of the future expenditure require in settlement. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Long-term provisions are discounted to their present values, where the time value of money is material.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate of the Group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.19 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below.

a) Sale of goods

Revenue from sale of goods is recognised in the consolidated income statement when the significant risks and rewards of ownership of goods have passed to the buyer. Revenue is measured by reference to the fair value of consideration received or receivable by the Group for goods supplied, excluding sales taxes, rebates, and trade discounts.

b) Interest income

Interest income is recognised using the effective interest method. When a loan receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan receivables is recognised using the original effective interest rate.

c) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.20 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Enterprises and individuals that directly, or indirectly through one or more intermediary, control, or are controlled by, or under common control with, the Company, including, subsidiaries and fellow subsidiaries are related parties of the Company. Associates are individuals owning directly, or indirectly, an interest in the voting power of the Company that gives them significant influence over the entity, key management personnel, including directors and officers of the Company, the Investment Manager and their close family members. In considering related party relationships, attention is directed to the substance of the relationship, and not merely the legal form.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

When preparing the consolidated financial statements, the Group undertakes a number of accounting judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions, and may not equal the estimated results.

Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

3.1 Critical accounting estimates and assumptions

Fair value of properties within the Group and the associates

The Group's real estate properties are stated at fair value in accordance with accounting policies. The fair values of properties are based on valuations by independent professional valuers including CBRE, Savills, Jones Lang LaSalle, Cushman & Wakefield and HVS. These valuations are based on certain assumptions which are subject to uncertainty and might materially differ from the actual results of a sale. The estimated fair values provided by the independent professional valuers are used by the Audit and Valuation Committee as the primary basis for estimating each property's fair value for recommendation to the Board.

In making its judgement, the Audit and Valuation Committee considers information from a variety of sources including:

a) Current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;

b) Recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices;

c) Recent developments and changes in laws and regulations that might affect zoning and/or the Group's ability to exercise its rights in respect to properties and therefore fully realise the estimated values of such properties; and

d) Discounted cash flow projections based on estimates of future cash flows, derived from the terms of external evidence such as current market rents and sales prices for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

Discount rates ranging from 14% to 22% (30 June 2013: 14% to 22%) are considered appropriate by independent valuation firms for properties in different locations. Gains and losses from changes in fair value of properties within the Group are recognised in the consolidated income statement. Gains and losses from changes in fair value of properties of the associates are accounted for using the equity method of accounting.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

3.1 Critical accounting estimates and assumptions *(continued)*

Fair value of financial assets
The fair values of listed securities are based on quoted market prices at the close of trading on the reporting date. For unlisted securities which are traded in an active market, the fair value is the average quoted prices at the close of trading obtained from a minimum sample of three reputable securities companies at the reporting date. Other relevant measurement bases are used if broker quotes are not available or if better and more reliable information is available.

The fair value of financial assets that are not traded in an active market (for example, unlisted securities where market prices are not readily available) is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. Independent valuations are also obtained from appropriately qualified independent valuation firms to evaluate and adjust valuations. The valuations may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

3.2 Critical judgement in applying the Group's accounting policies

Equity investments
When the Group has an interest in the voting power of an investee company of between 20% and 50%, significant influence over the investee company is presumed. There are situations, however, where it can be clearly demonstrated that an interest held by the Group is less than 20%, but significant influence exists; and conversely an interest held of more than 20% where there is no significant influence.

At the reporting date, the Group has interests in certain investee companies with less than 20% voting power but these are accounted for as associates of the Group (Note 5) based on the following criteria:

a) The Group has representation on the board of the investee company;

b) The Group participates in policy-making processes, including decisions about dividends or other distributions;

c) There was change of management personnel; or

d) The Group provides essential technical information.

Those investments where the Group has more than 20% interest but does not have significant influence are accounted for as investments (Note 11).

4 SEGMENT ANALYSIS

In identifying its operating segments, the Group generally follows the sectors of investment which are based on internal management reporting, monitoring of investments and decision making. The operating segments by investment portfolio include capital markets (publicly listed securities and over-the-counter ("OTC") traded securities), real estate (real estate and hospitality), private equity and cash (cash and cash equivalents, short-term deposits and fixed income investments). On a look through basis, there are no material investments outside of Vietnam.

Each of the operating segments is managed and monitored individually as each requires different resources and approaches. The segment profit or loss is assessed using a measure of operating profit or loss from the underlying investments. Although IFRS 8 requires measurement of segmental profit or loss, the majority of expenses are common to all segments and therefore cannot be individually allocated. There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss. Segment information is presented as follows:

Revenue and other segment profit and loss

	Capital markets USD'000	Real estate USD'000	Private equity USD'000	Cash USD'000	Total USD'000
Year ended 30 June 2014					
Revenue	–	–	11,445	–	11,445
Cost of sales	–	–	(8,377)	–	(8,377)
Dividend income	19,804	–	–	–	19,804
Interest income	–	824	–	1,127	1,951
Gains from financial assets at fair value through profit or loss, net:					
– Listed and unlisted securities	96,592	–	–	–	96,592
– Government bonds	715	–	–	–	715
Selling and other expenses	–	–	(3,327)	–	(3,327)
Fair value gain of investment property	–	473	–	–	473
Share of losses of associates, net of tax	–	(4,230)	–	–	(4,230)
Finance income	–	–	224	–	224
Other income	–	1,730	4,828	–	6,558
	117,111	**(1,203)**	**4,793**	**1,127**	**121,828**

4 SEGMENT ANALYSIS *(continued)*

Revenue and other segment profit and loss *(continued)*

	Capital markets USD'000	Real estate USD'000	Private equity USD'000	Cash USD'000	Total USD'000
Less: Unallocated expenses					**(39,200)**
Profit before tax					**81,428**
Year ended 30 June 2013					
Revenue	–	–	**9,982**	–	**9,982**
Cost of sales	–	–	**(7,639)**	–	**(7,639)**
Dividend income	**23,906**	–	–	–	**23,906**
Interest income	–	–	–	**3,427**	**3,427**
Gains from financial assets at fair value through profit or loss, net:					
– Listed and unlisted securities	**88,619**	–	–	–	**88,619**
– Government bonds	**635**	–	–	–	**635**
Selling and other expenses	–	–	**(3,330)**	–	**(3,330)**
Share of losses of associates, net of tax	–	**(8,214)**	–	–	**(8,214)**
Finance income	–	–	**89**	–	**89**
Other income	–	**1,307**	**9,815**	–	**11,122**
	113,160	**(6,907)**	**8,917**	**3,427**	**118,597**
Less: Unallocated expenses					**(27,873)**
Profit before tax					**90,724**

4 SEGMENT ANALYSIS *(continued)*

Assets

	Capital markets USD'000	Real estate USD'000	Private equity USD'000	Cash USD'000	Total USD'000
As at 30 June 2014					
Investment properties	–	4,175	–	–	4,175
Interests in associates	–	169,505	–	–	169,505
Prepayments for acquisition of investment properties	–	7,895	–	–	7,895
Financial assets at fair value through profit or loss					
– Non-current	–	–	4,697	–	4,697
– Current	533,098	–	–	19,241	552,339
Available-for-sale financial assets:					
– Non-current	–	6,033	–	–	6,033
– Current	–	–	–	–	–
Other non-current assets	–	–	3,906	–	3,906
Inventories	–	–	7,216	–	7,216
Term deposit	–	–	–	4,695	4,695
Cash and cash equivalents	–	–	–	21,551	21,551
Other current assets	2,563	7,842	2,885	6,460	19,750
Assets classified as held for sale	–	3,726	–	–	3,726
Total assets	**535,661**	**199,176**	**18,704**	**51,947**	**805,488**
Total assets include:					
additions to non-current assets	**–**	**1,137**	**756**	**–**	**1,893**

4 SEGMENT ANALYSIS *(continued)*

Assets *(continued)*

	Capital markets USD'000	Real estate USD'000	Private equity USD'000	Cash USD'000	Total USD'000
As at 30 June 2013					
Investment property	–	3,722	–	–	3,722
Interests in associates	–	182,090	–	–	182,090
Prepayments for acquisition of investment properties	–	8,239	–	–	8,239
Financial assets at fair value through profit or loss					
– Non-current	–	–	4,697	–	4,697
– Current	439,830	–	10,180	17,752	467,762
Available-for-sale financial assets:					
– Non-current	–	5,784	–	–	5,784
– Current	–	–	8,700	–	8,700
Other non-current assets	–	1,325	3,300	–	4,625
Inventories	–	–	7,413	–	7,413
Cash and cash equivalents	–	–	–	53,392	53,392
Other current assets	1,423	11,234	6,302	6,460	25,419
Total assets	**441,253**	**212,394**	**40,592**	**77,604**	**771,843**
Total assets include:					
additions to non-current assets	**–**	**484**	**400**	**–**	**884**

5 INTERESTS IN ASSOCIATES

	30 June 2014 USD'000	30 June 2013 USD'000
Investments in associates	141,891	146,966
Long-term loan receivables (Note 28(d))	27,614	35,124
Interests in associates	**169,505**	**182,090**

The movement in investments in associates is analysed as follows:

	30 June 2014 USD'000	30 June 2013 USD'000
Opening balance	146,966	172,341
Additional investments	1,137	484
Share of losses, net of tax	(4,230)	(8,214)
Share of change in revaluation reserve	1,905	3,994
Reclassified from long-term loan receivables (Note 28(d))	7,860	–
Transfer to assets classified as held for sale (Note 13)	(9,101)	–
Transfer to subsidiary	–	(8,058)
Dividends received	(2,837)	(4,750)
Disposals	–	(7,088)
Share of translation differences	191	(1,743)
Closing balance	**141,891**	**146,966**

5 INTERESTS IN ASSOCIATES *(continued)*

Set out below are the associates of the Group as at 30 June 2014, which, in the opinion of the Board of Directors, are material to the Group. The associates listed below have share capital consisting solely of ordinary shares, which are held directly by the Group.

Nature of investments in associates at 30 June 2014 and 30 June 2013:

Name	Country of incorporation/ place of business	Nature of business	% ownership	Measurement method
The 21st Century International Development Company Ltd.	Vietnam	Property development	25.00	Equity method
VinaCapital Danang Golf Course Ltd.	Vietnam	Golf course & property development	25.00	Equity method
Vina Dai Phuoc Corporation (*)	Vietnam	Property development	18.00	Equity method
Hung Vuong Corporation	Vietnam	Retails & residential	33.24	Equity method
Vina Alliance Limited (*)	Vietnam	Property development	15.50	Equity method
S.E.M Thong Nhat Hotel Metropole	Vietnam	Hospitality	50.00	Equity method

(*) Although the Group holds less than 20% of the equity shares in Vina Alliance Limited and Vina Dai Phuoc Corporation, the Group exercises significant influence by having the power to participate in the financial and operating policy decisions of these entities and therefore these investments are treated as associates of the Group.

There were no significant restrictions on the ability of associates to transfer funds to the Group in form of cash dividends or to repay loans or advances made. In addition, there are no contingent liabilities relating to the Group's interests in the associates.

5 INTERESTS IN ASSOCIATES *(continued)*

Set out below are the summarised financial information for associates which are accounted for using the equity method.

Summarised balance sheet

	The 21st Century International Development Company Ltd.		VinaCapital Danang Golf Course Ltd.		Vina Dai Phuoc Corporation		Hung Vuong Corporation		Vina Alliance Limited		S.E.M Thong Nhat Hotel Metropole	
	30 June		30 June		30 June		30 June		30 June		30 June	
	2014 USD'000	2013 USD'000	2014 USD'000	2013 USD'000	2014 USD'000	2013 USD'000	2014 USD'000	2013 USD'000	2014 USD'000	2013 USD'000	2014 USD'000	2013 USD'000
Current												
Assets	6,158	3,713	4,006	4,150	26,800	34,631	5,253	3,247	181	120	17,599	10,956
Liabilities	(7,793)	(8,542)	(4,969)	(7,024)	(20,088)	(24,612)	(7,645)	(8,900)	(1,363)	(1,064)	(5,670)	(5,966)
Total current net assets	**(1,635)**	**(4,829)**	**(963)**	**(2,874)**	**6,712**	**10,019**	**(2,392)**	**(5,653)**	**(1,182)**	**(944)**	**11,929**	**4,990**
Non-current												
Assets	134,080	114,040	84,174	78,508	59,123	55,921	52,966	53,151	85,639	85,663	142,097	140,295
Liabilities	(38,688)	(11,584)	(32,352)	(28,136)	–	–	(14,563)	(13,344)	(25,161)	(28,710)	(21,275)	(21,211)
Total non-current net assets	**95,392**	**102,456**	**51,822**	**50,372**	**59,123**	**55,921**	**38,403**	**39,807**	**60,478**	**56,953**	**120,822**	**119,084**
Net assets	**93,757**	**97,627**	**50,859**	**47,498**	**65,835**	**65,940**	**36,011**	**34,154**	**59,296**	**56,009**	**132,751**	**124,074**

5 INTERESTS IN ASSOCIATES *(continued)*

Summarised statement of comprehensive income

	The 21st Century International Development Company Ltd.		VinaCapital Danang Golf Course Ltd.		Vina Dai Phuoc Corporation		Hung Vuong Corporation		Vina Alliance Limited		S.E.M Thong Nhat Hotel Metropole	
	30 June		30 June		30 June		30 June		30 June		30 June	
	2014 USD'000	2013 USD'000	2014 USD'000	2013 USD'000	2014 USD'000	2013 USD'000	2014 USD'000	2013 USD'000	2014 USD'000	2013 USD'000	2014 USD'000	2013 USD'000
Revenue	123	306	5,074	4,334	10,830	14,554	8,460	8,510	288	207	37,467	36,496
Profit before income tax	(3,251)	(5,817)	4,830	(14,453)	307	(4,940)	4,365	3,993	3,954	(19,184)	12,024	11,073
Income tax expense)/ income	(2)	2,577	(1,747)	4,474	(77)	(1,880)	(842)	(685)	–	1,806	(2,421)	–
Post tax profit from continuing operations	(3,253)	(3,240)	3,083	(9,979)	230	(6,820)	3,523	3,308	3,954	(17,378)	9,603	11,073
Other comprehensive income/(loss)	(617)	(1,272)	278	(882)	(335)	(942)	(495)	(923)	(667)	(1,029)	3,574	3,995
Liabilities	(38,688)	(11,584)	(32,352)	(28,136)	–	–	(14,563)	(13,344)	(25,161)	(28,710)	(21,275)	(21,211)
Total comprehensive income	**(3,870)**	**(4,512)**	**3,361**	**(10,861)**	**(105)**	**(7,762)**	**3,028**	**2,385**	**3,287**	**(18,407)**	**13,177**	**15,068**
Dividends received from associates	**–**	**–**	**–**	**–**	**–**	**–**	**393**	**–**	**–**	**–**	**2,250**	**4,750**

The information above reflects the amounts presented in the financial statements of the associates adjusted for differences in accounting policies between the Group and the associates.

5 **INTERESTS IN ASSOCIATES** *(continued)*

Set out below are the summarised financial information for associates which are accounted for using the equity method.

Reconciliation of summarised financial information

	The 21st Century International Development Company Ltd.		VinaCapital Danang Golf Course Ltd.		Vina Dai Phuoc Corporation		Hung Vuong Corporation		Vina Alliance Limited		S.E.M Thong Nhat Hotel Metropole	
	30 June		30 June		30 June		30 June		30 June		30 June	
	2014 USD'000	2013 USD'000	2014 USD'000	2013 USD'000	2014 USD'000	2013 USD'000	2014 USD'000	2013 USD'000	2014 USD'000	2013 USD'000	2014 USD'000	2013 USD'000
Summarised financial information												
Opening net assets 30 June	97,627	102,139	47,498	58,359	65,940	73,702	34,154	31,769	56,009	74,416	124,074	118,506
Profit/(loss) for the year	(3,253)	(3,240)	3,083	(9,979)	230	(6,820)	3,523	3,308	3,954	(17,378)	9,603	11,073
Other comprehensive income/(loss)	(617)	(1,272)	278	(882)	(335)	(942)	(495)	(923)	(667)	(1,029)	3,574	3,995
Dividend paid	–	–	–	–	–	–	(1,171)	–	–	–	(4,500)	(9,500)
Total closing net assets	**93,757**	**97,627**	**50,859**	**47,498**	**65,835**	**65,940**	**36,011**	**34,154**	**59,296**	**56,009**	**132,751**	**124,074**
Interests in associates	22,859	23,715	12,715	11,872	11,850	11,897	11,970	11,353	9,191	8,681	66,375	62,037
Others	–	(1,331)	75	3,293	1,525	5,891	–	(317)	149	1,134	–	–
Net carrying value of the Group	**22,859**	**22,384**	**12,790**	**15,165**	**13,375**	**17,788**	**11,970**	**11,036**	**9,340**	**9,815**	**66,375**	**62,037**

6 PREPAYMENTS FOR ACQUISITION OF INVESTMENT PROPERTIES

	30 June 2014 USD'000	30 June 2013 USD'000
Historical cost	10,975	8,986
Transfer from assets classified as held for sale (Note 13)	–	1,989
Less: cumulative allowance for impairment losses	(3,080)	(2,736)
	7,895	**8,239**

The movement of cumulative allowance for impairment losses is analysed as follows:

Opening balance	2,736	1,486
Charge for the year	344	1,250
Closing balance	**3,080**	**2,736**

These prepayments relate to payments made by the Group to property vendors where the final transfer of the properties is pending the approval of the relevant authorities as at the consolidated balance sheet date and/or is subject to either the Group or the vendor completing certain performance conditions set out in agreements.

As at 30 June 2014 and 30 June 2013, due to market conditions, the recoverable amounts of the properties which were assessed based on fair value less cost to sell were lower than their carrying values.

These prepayments have been measured using unobservable inputs, and are therefore within level 3 of the fair value hierarchy. There were no transfers between levels during the year.

Valuation processes

The recoverable amounts were estimated by independent professional qualified valuers who hold recognised relevant professional qualifications and have recent experience in the locations and categories of the properties for which these payments are made.

The valuations by the independent valuation firms are prepared based upon direct comparison with sales of other similar properties in the area and the expected future discounted cash flows of a property using a yield that reflects the risks inherent therein. Discount rates applied at 20.0% (30 June 2013: 20.0%).If the discount rates were to fluctuate by 5.0%, the impact on the net asset value (NAV) of the Group would be a gain/(loss) of USD1.2 million/(USD1.9 million) (30 June 2013: USD0.2 million/(USD1.0 million)).

7 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	30 June 2014 USD'000	30 June 2013 USD'000
Opening balance	14,484	34,561
Disposal during the year	–	(20,077)
Reversal of impairment loss	249	–
Reclassified to trade and other receivables	(8,700)	–
Closing balance	6,033	14,484
Less: current portion	–	(8,700)
Non-current portion	**6,033**	**5,784**

8 FINANCIAL INSTRUMENTS BY CATEGORY

	Loans and receivables USD'000	Financial assets at fair value through profit or loss USD'000	Available-for-sale financial assets USD'000	Total USD'000
As at 30 June 2014				
Available-for-sale financial assets	–	–	6,033	**6,033**
Long-term loan included in interest in associates	27,614	–	–	**27,614**
Short-term loan to related parties	5,235	–	–	**5,235**
Trade and other receivables	14,515	–	–	**14,515**
Financial assets at fair value through profit or loss	–	557,036	–	**557,036**
Term deposit	4,695	–	–	**4,695**
Cash and cash equivalents	21,551	–	–	**21,551**
	73,610	**557,036**	**6,033**	**636,679**
Financial assets denominated in:				
– USD	19,405	25,008	–	**44,413**
– VND	54,199	531,493	6,033	**591,725**
– Other currency	6	535	–	**541**
	73,610	**557,036**	**6,033**	**636,679**

8 FINANCIAL INSTRUMENTS BY CATEGORY *(continued)*

	Loans and receivables USD'000	Financial assets at fair value through profit or loss USD'000	Available-for-sale financial assets USD'000	Total USD'000
As at 30 June 2013				
Available-for-sale financial assets	–	–	14,484	**14,484**
Long-term loan included in interest in associates	35,124	–	–	**35,124**
Short-term loan to related parties	7,501	–	–	**7,501**
Long-term loan to an associate	1,325	–	–	**1,325**
Trade and other receivables	17,918	–	–	**17,918**
Financial assets at fair value through profit or loss	–	472,459	–	**472,459**
Cash and cash equivalents	53,392	–	–	**53,392**
	115,260	**472,459**	**14,484**	**602,203**
Financial assets denominated in:				
– USD	17,746	20,907	8,700	**47,353**
– VND	97,495	450,938	5,784	**554,217**
– Other currency	19	614	–	**633**
	115,260	**472,459**	**14,484**	**602,203**

All financial liabilities are classified as financial liabilities carried at amortised cost. As at the consolidated balance sheet date, the financial liabilities denominated in USD and in VND are USD11.5 million and USD14.3 million (30 June 2013: USD10.4 million and USD6.0 million), respectively.

9 INVENTORIES

	30 June 2014 USD'000	30 June 2013 USD'000
At cost:		
Finished goods	4,170	4,593
Raw materials	1,776	1,651
Work in progress	405	264
Spares and tools	865	905
	7,216	**7,413**

The cost of inventories recognised as expenses and included in cost of sales amounted to USD4.8 million (year ended 30 June 2013: USD5.5 million) during the year.

10 TRADE AND OTHER RECEIVABLES

	30 June 2014 USD'000	30 June 2013 USD'000
Trade receivables	2,566	1,730
Receivable from matured bonds	6,460	9,888
Interest receivables	1,595	1,030
Dividend receivables	1,627	371
Receivables from disposals of investments	9,000	2,963
Payments on behalf of related parties (Note 28(c))	1,290	2,059
Short-term loan to a third party	3,000	1,271
Deposits for share tender	–	1,152
Other receivables	2,364	2,555
	27,902	23,019
Less: Cumulative provision for impairment of receivables	(13,387)	(5,101)
	14,515	**17,918**

10 TRADE AND OTHER RECEIVABLES *(continued)*

The movement in the cumulative provision for impairment of receivables is analysed as follows:

	30 June 2014 USD'000	30 June 2013 USD'000
Opening balance	5,101	3,746
Provision for impaired trade receivables (Note 24)	114	1,355
Provision for impaired other receivables	11,600	–
Provision written off	(3,428)	–
Closing balance	**13,387**	**5,101**
Provision balance is in respect of:		
– Trade receivables	739	625
– Receivable from matured bonds	–	3,428
– Others	12,648	1,048
	13,387	**5,101**

The creation and release of the provision for impaired receivables have been included in 'other expenses' in the income statement.

During the year, a bond issuer increased its chartered capital and issued new shares to a subsidiary as a form of settlement of its debt. Accordingly, the receivable from matured bonds of USD3.4 million with the corresponding allowance of USD3.4 million, have been derecognised. The new shares received have been recognised as a financial asset at fair value through profit or loss during the year.

The credit quality of the trade and other receivables as at the reporting date is as follows:

	30 June 2014 USD'000	30 June 2013 USD'000
Trade receivables:		
– Current within the credit period and not impaired	720	672
– Past due but not impaired	1,107	433
– Past due and impaired	739	625
Other receivables:		
– Current and not impaired	12,688	16,813
– Past due and impaired	12,648	4,476
Total	**27,902**	**23,019**

10 TRADE AND OTHER RECEIVABLES *(continued)*

The amounts of trade receivables past due and assessed as impaired relate to receivables from sales agents of subsidiaries. The amounts past due but assessed as not impaired at the consolidated balance sheet date relate to a number of customers with whom there is no recent history of default.

As at the reporting date, there was no significant concentration of credit risk (30 June 2013: none).

Other than the provision for impairment of receivables disclosed above, the other classes within the trade and other receivables do not include impaired assets.

As all trade and other receivables are short term in nature, their carrying values are considered reasonable approximations of their fair values at the reporting date.

11 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2014 USD'000	30 June 2013 USD'000
Financial assets in Vietnam:		
Ordinary shares – listed	423,563	356,438
Ordinary shares – unlisted	88,689	76,748
Government bonds	19,241	17,752
	531,493	450,938
Financial assets in countries other than Vietnam:		
Ordinary shares – listed	25,543	21,521
	557,036	**472,459**
Less: non-current portion	(4,697)	(4,697)
Current portion	**552,339**	**467,762**

The government bonds carry a fixed interest rate of 6.7% – 7.6% per annum (30 June 2013: 9.3% – 12.2% per annum). The government bonds have a Moody's rating of B1 at 30 June 2014 (30 June 2013: Moody's rating of B2).

The value of government bonds pledged as collateral for a subsidiary's repurchase obligation is USD4.8 million (30 June 2013: nil).

11 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS *(continued)*

As at the reporting date, the Group holds more than a 20% equity interest in the following entities which the Group determines that it has no significant influence:

	Equity interest (%) as at	
	30 June 2014	**30 June 2013**
Listed entities:		
– Khang Dien House Trading and Investment Joint Stock Company	22.3%	23.6%
Unlisted entities:		
– An Giang Plant Protection Joint Stock Company	24.7%	24.7%
– Cau Tre Export Goods Processing Joint Stock Company	37.3%	36.4%
– Vina Construction Machine Joint Stock Company	30.0%	30.0%
– Saigon Petroleum Service Company	22.2%	22.2%

The details of financial assets at fair value through profit or loss by industry are as follows:

	30 June 2014 USD'000	30 June 2013 USD'000
Consumer discretionary, food	148,044	163,169
Construction materials	93,830	45,849
Financial services	54,542	61,343
Agriculture, rubber and fertiliser	94,251	83,673
Energy, minerals and petroleum	57,642	24,737
Pharmaceuticals	28,886	19,388
Real estate	54,518	48,036
Bonds	19,241	17,752
Other securities	6,082	8,512
	557,036	**472,459**

As at 30 June 2014, the value of one holding, Vinamilk, in financial assets at fair value through profit or loss amounted to 12.2% of the NAV of the Group (30 June 2013: 15.4%). There were no other holdings that had a value exceeding 10% of the NAV of the Group as at 30 June 2014 or 30 June 2013.

12 CASH AND CASH EQUIVALENTS

	30 June 2014 USD'000	30 June 2013 USD'000
Cash on hand	24	26
Cash in banks	18,401	28,987
Cash equivalents	3,126	24,379
	21,551	**53,392**

Cash equivalents represent short-term deposits with rates of 5.25% for VND accounts (30 June 2013: 0.5% and 7% for USD and VND accounts, respectively). The majority of these deposits have maturity terms from one to two months from the reporting date.

As at the consolidated balance sheet date, the cash and cash equivalents are denominated in the following currencies:

	30 June 2014 USD'000	30 June 2013 USD'000
Cash and cash equivalents in USD	7,705	15,046
Cash and cash equivalents in VND	13,840	38,326
Cash and cash equivalents in other currencies	6	20
	21,551	**53,392**

13 ASSETS CLASSIFIED AS HELD FOR SALE

	30 June 2014 USD'000	30 June 2013 USD'000
Opening balance	–	32,127
Disposal during the year	(5,375)	(25,238)
Transfer to financial assets at fair value through profit or loss	–	(4,900)
Transfer from interest in associates (Note 5)	9,101	–
Transfer to prepayments for acquisition of investment properties (Note 6)	–	(1,989)
Closing balance	**3,726**	**–**

14 SHARE CAPITAL

	30 June 2014		30 June 2013	
	Number of shares	USD'000	Number of shares	USD'000
Ordinary shares of USD0.01 each:				
Authorised	500,000,000	5,000	500,000,000	5,000
Issued and fully paid	324,610,259	3,246	324,610,259	3,246

15 TREASURY SHARES

	30 June 2014		30 June 2013	
	Number of shares	USD'000	Number of shares	USD'000
Opening balance	63,233,988	113,639	12,074,663	17,785
Ordinary shares bought during the year	23,121,277	52,300	51,159,325	95,854
Closing balance	86,355,265	165,939	63,233,988	113,639

During the year, the Company purchased 23,121,277 of its ordinary shares (30 June 2013: 51,159,325 ordinary shares) for a total cash consideration of USD52.3 million (30 June 2013: USD88.7 million and payable of USD7.2 million at year end) at an average cost of USD2.27 per share (30 June 2013: USD1.87 per share).

The total number of ordinary shares acquired represents 26.6% (30 June 2013: 19.5%) of the Company's 324,610,259 ordinary shares in issue and as a result, total voting rights in the Company have been reduced to 238,254,994 ordinary shares (30 June 2013: 261,376,271 ordinary shares).

16 REVALUATION RESERVE

	30 June 2014 USD'000	30 June 2013 USD'000
Opening balance	31,376	28,602
Share of change in revaluation reserve of associates	1,905	3,994
Disposal of an associate	–	(1,220)
Closing balance	**33,281**	**31,376**

16 REVALUATION RESERVE *(continued)*

The Group's share of the revaluation gains relates to the revaluation of hotels held by associates. The closing balance of the revaluation reserve as at 30 June 2014 relates solely to the Group's investment in S.E.M Thong Nhat Hotel Metropole.

17 SHORT-TERM BORROWINGS

	30 June 2014 USD'000	30 June 2013 USD'000
Short-term bank borrowings (*)	3,326	2,261
Sale and repurchase agreement (**)	4,513	–
Closing balance	**7,839**	**2,261**

(*) These loans, obtained by American Home Vietnam Co Ltd., are secured by the investee company's plant and equipment. The fair value of the loans at the reporting date, approximate their carrying amounts due to their short term nature. The loans are denominated in VND and are repayable within 12 months. The loans bore interest at rates ranging from 8.0% to 10.0% per annum (30 June 2013: 10.0% to 11.5%).

(**) This debt relates to the sale and repurchase of government bonds held by a subsidiary. The debt is denominated in VND and is repayable within two months of the reporting date. Its fair value at the reporting date is equal to the carrying amounts due to its short term nature. The debt is subject to an implied interest rate of 4.4% per annum.

18 TRADE AND OTHER PAYABLES

	30 June 2014 USD'000	30 June 2013 USD'000
Trade payables	1,794	1,841
Withholding taxes payable	548	1,093
Unearned revenue	1,250	1,526
Payables to brokers	–	7,245
Professional fees payables	199	739
Other payables	775	1,214
	4,566	**13,658**

All trade and other payables are short-term in nature. Therefore, their carrying values are considered a reasonable approximation of their fair values.

19 REVENUE AND COST OF SALES

The Group's revenue and cost of sales represent the sales of goods and cost of sales of its operating subsidiaries, American Home Vietnam Co. Ltd and Yen Viet Joint Stock Company. All revenues are derived from external customers and there was no significant concentration of sales to any single customer.

20 INTEREST INCOME AND FINANCE COSTS, NET

a) *Interest income*

	Year ended	
	30 June 2014 USD'000	**30 June 2013 USD'000**
Interest income comprised interest earned on:		
– cash and term deposits	1,096	1,413
– government bonds	–	1,066
– corporate bonds	–	184
– loans to associates	824	590
– others	31	174
Total	**1,951**	**3,427**

b) *Finance income and finance costs*

	Year ended	
	30 June 2014 USD'000	**30 June 2013 USD'000**
Finance income comprised:		
– realised gains on foreign currency differences	224	89
Finance costs comprised:		
– interest expense	(573)	(281)
– realised losses on foreign currency differences	(289)	(687)
– unrealised losses on foreign currency differences	(76)	(168)
	(938)	(1,136)
	(714)	**(1,047)**

21 GAIN FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS, NET

	Year ended	
	30 June 2014 USD'000	**30 June 2013 USD'000**
Financial assets at fair value through profit or loss:		
– Gains from the realisation of financial assets, net	9,134	34,753
– Unrealised gains, net	88,173	54,501
	97,307	**89,254**

22 SELLING, GENERAL AND ADMINISTRATION EXPENSES AND ONGOING CHARGES

a) Selling, general and administration expenses

	Year ended	
	30 June 2014 USD'000	**30 June 2013 USD'000**
Investment Management fees (Note 28(a))	11,647	15,001
Incentive fee (Note 28(b))	9,013	–
Professional fees	2,583	3,550
Selling, general and administration expenses (*)	3,205	1,941
Other expenses	416	248
	26,864	**20,740**

(*) The majority of these expenses relate to operating expenses incurred by the subsidiaries of the Group.

22 SELLING, GENERAL AND ADMINISTRATION EXPENSES AND ONGOING CHARGES *(continued)*

b) *Total expenses ratio*

	Year ended	
	30 June 2014	**30 June 2013**
Total expenses ratio (using AIC recommended methodology)	1.72%	2.13%
Incentive fee	1.17%	–
Total expenses ratio including incentive fee	**2.89%**	**2.13%**

Total expenses ratio has been calculated in accordance with the Association of Investment Companies ("AIC") recommended methodology dated May 2012. It is the ratio of annualised ongoing charges over the average undiluted NAV of the Group during the year.

Expenses include: Investment Management fees, Directors' fees and expenses, recurring audit and tax services, custody and fund administration services, fund accounting services, secretarial services, registrars' fees, public relations fees, insurance premiums, regulatory fees and similar charges.

23 OTHER INCOME

	Year ended	
	30 June 2014 USD'000	**30 June 2013 USD'000**
Gains on disposals of investments in:		
– Available-for-sale financial assets	4,336	9,955
Total gain on disposals of investments	4,336	9,955
Reversal of impairment loss	249	–
Consulting income	412	343
Other income	1,561	824
	6,558	**11,122**

24 OTHER EXPENSES

	Year ended	
	30 June 2014 USD'000	30 June 2013 USD'000
Impairments of trade receivables (Note 10)	114	1,355
Impairments of other assets	14,045	1,937
Loans written off on disposals of investments in associates	–	3,028
Losses on disposals of investments in associates	–	667
Goodwill impairment	–	449
Others	566	1,891
	14,725	**9,327**

25 INCOME TAX EXPENSE

Under the current laws of the Cayman Islands, there is no income, state, corporation, capital gains or other taxes payable by the Company.

The income from subsidiaries incorporated in Vietnam is taxable at the applicable tax rate in Vietnam. Income tax expense is recognised based on the estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the year to 30 June 2014 is 23.5% (the estimated tax rate for the six months ended 31 December 2013 was 25%). The decrease is due to a reduction of 3% in the corporate income tax rate in Vietnam which is applicable from 1 January 2014.

Tax paid by the Group, including the subsidiaries incorporated in Vietnam, during the year is summarised as follows:

	Year ended	
	30 June 2014 USD'000	30 June 2013 USD'000
Capital gains tax	988	38
Transaction tax	81	210
Withholding tax	68	408
Corporate income tax	64	16
Tax expense	**1,201**	**672**

26 EARNINGS PER SHARE AND NET ASSET VALUE PER SHARE

a) *Basic*

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company from operations by the weighted average number of ordinary shares in issue during the year (excluding ordinary shares purchased by the Company and held as treasury shares (Note 15)).

	Year ended	
	30 June 2014	30 June 2013
Profit attributable to shareholders of the Company for the year (USD'000)	81,666	90,254
Weighted average number of ordinary shares in issue	246,934,372	286,648,181
Basic earnings per share (USD per share)	0.33	0.31

b) *Diluted*

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has not entered into any arrangement which could be dilutive to ordinary shareholders. Therefore, diluted earnings per share is equal to basic earnings per share.

c) *NAV per share*

NAV per share is calculated by dividing the NAV attributable to equity shareholders of the Company by the number of outstanding ordinary shares in issue as at the reporting date (excluding ordinary shares purchased by the Company and held as treasury shares (Note 15)). Net asset value is determined as total assets less total liabilities.

	As at 30 June 2014	As at 30 June 2013
NAV attributable to shareholders of the Company (USD'000)	778,955	752,443
Number of outstanding ordinary shares in issue	238,254,994	261,376,271
NAV per share (USD/share)	3.27	2.88

27 DIRECTORS' REMUNERATION

The aggregate Directors' fees paid during the year amounted to USD363,767 (year ended 30 June 2013: USD240,833), of which USD331,192 was outstanding as payable as at 30 June 2014 (30 June 2013: USD45,833).

27 DIRECTORS' REMUNERATION *(continued)*

The details of remuneration by Director are summarised below:

	Year ended 30 June 2014 USD'000	Year ended 30 June 2013 USD'000
Steven Bates	95	28
Martin Adams	80	18
Thuy Bich Dam	19	–
Martin Glynn	80	60
Michael Gray	90	60
Don Lam (*)	–	–
William Vanderfelt	–	75
	364	**241**
Directors' fee borne by:		
– The Investment Manager	–	79
– The Company	364	162
	364	**241**

(*) Don Lam does not receive any remuneration from the Company.

At the Annual General Meeting (AGM) held on 28 November 2013, the shareholders approved a resolution to increase the cap on Directors' remuneration to USD500,000 per annum, thus removing the need for the Investment Manager to subsidise Directors' fees.

28 RELATED PARTIES

a) *Investment management fees*

The Group is managed by the Investment Manager, an investment management company incorporated in the Cayman Islands, under an amended and restated Investment Management Agreement dated 24 June 2013 which became effective as of 1 July 2013 (the "Amended Management Agreement"). Prior to 1 July 2013 the Investment Manager received an investment management fee based on the NAV of the Group, payable monthly in arrears at an annual rate of 2.0% of the NAV. Under the Amended Investment Management Agreement the Investment Manager receives a fee at an annual rate of 1.5% of the NAV, payable monthly in arrears.

28 RELATED PARTIES *(continued)*

a) *Investment management fees (continued)*

The total investment management fees for the year amounted to USD11.6 million (30 June 2013: USD15.0 million), with USD1.2 million (30 June 2013: USD1.2 million) outstanding as payable to the Investment Manager at the reporting date.

b) *Incentive fees*

Prior to 1 July 2013 the Investment Manager was paid an incentive fee equal to 20% of the increase in the NAV of the Company over an 8% per annum hurdle rate, with a catch up.

From 1 July 2013 the incentive fee is 15% of the increase in NAV per share over a hurdle rate of 8% per annum. A catch up is no longer applied. Furthermore, for the purposes of calculating incentive fees, the Group's net assets are segregated into a Direct Real Estate Portfolio and a Capital Markets Portfolio. A separate incentive fee is calculated for each portfolio so that for any consolidated balance sheet date it will be possible for an incentive fee to become payable in relation to one, both, or neither, portfolio depending upon the performance of each portfolio. However, the maximum incentive fee that can be paid in any given year with respect to a portfolio is 1.5% of the NAV of the portfolio at the consolidated balance sheet date. Any incentive fees earned in excess of the cap may be paid out in subsequent years providing that certain performance targets are met.

The total incentive fees for the year amounted to USD9.0 million (30 June 2013: nil), with USD9.0 million outstanding as payable to the Investment Manager (30 June 2013: nil) at the reporting date.

c) *Other balances with related parties*

	30 June 2014 USD'000	30 June 2013 USD'000
Receivables from VinaLand Limited		
– an investment company managed by the Investment Manager	959	1,586
Receivables from the Investment Manager	331	473
	1,290	**2,059**
Payable to the Investment Manager	(10,246)	(1,199)
Payable to VinaLand Limited		
– an investment company managed by the Investment Manager	(1,872)	(957)
Other payables to related parties	(972)	–
	(13,090)	**(2,156)**

28 RELATED PARTIES *(continued)*

c) *Other balances with related parties (continued*

	30 June 2014 USD'000	30 June 2013 USD'000
Investment in other investment companies managed by the Investment Manager		
– Vietnam Infrastructure Limited	4,955	4,338
– VinaLand Limited	20,053	16,569
	25,008	**20,907**

d) *Loans to related parties*

	30 June 2014 USD'000	30 June 2013 USD'000
Long-term loans to:		
– Associates under common management [i] (Note 5)	27,614	35,124
– An associate	–	1,325
Total long-term loans to related parties	27,614	36,449
Short-term loans to:		
– Current portion of long-term loan to an associate [ii]	1,596	568
– Other related parties [iii]	3,639	6,933
Total short-term loans to related parties	5,235	7,501
Total loans to related parties	**32,849**	**43,950**

(i) Associates under common management refers to investment companies which have joint investments in real estate projects with VinaLand Limited. These loans form part of the Group's net investment in the associates; repayments are not planned prior to the sale of each investment.

(ii) The short-term loan to an associate is secured by way of shares of an entity listed on either of Vietnam's stock exchanges, the Ho Chi Minh Stock Exchange (HOSE) or the Hanoi Stock Exchange (HNX). The loan bears interest at the rate of 15.0% per annum.

(iii) The short-term loans to other related parties have repayment terms within 12 months, they are unsecured and carry interest at rates ranging from 1.5% to 15.0% per annum (30 June 2013: 1.5% to 15.0% per annum).

28 RELATED PARTIES *(continued)*

d) *Loans to related parties (continued)*

The movement of loans to related parties during the year is as follow:

	30 June 2014 USD'000	30 June 2013 USD'000
Opening balance	43,950	46,504
Loans advanced	1,888	1,779
Loan repayments	(2,829)	(1,514)
Disposals	–	(3,028)
Transfer to investments in associates (Note 5)	(7,860)	–
Impairment of loan receivables	(1,652)	(84)
Others	(648)	293
Closing balance	**32,849**	**43,950**

e) *Other transactions with related parties*

A loan of USD25.0 million was provided to Prosper Big Investments Limited and Henry Enterprise Limited, holding companies of a joint investment project (the 21st Century project) owned by VinaLand Limited and the Group. The loan was provided for a period of two weeks to enable the companies to provide proof of available financing in conjunction with the relicensing of the project.

29 FINANCIAL RISK FACTORS

The Group invests in listed and unlisted equity instruments, debt instruments, assets and other opportunities in Vietnam and overseas with the objective of achieving medium to long-term capital appreciation and providing investment income.

The Group is exposed to a variety of financial risks: market risk (including currency risk, interest rate risk, and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potentially adverse effects on the Group's financial performance. The Group's risk management is coordinated by the Investment Manager who manages the distribution of the assets to achieve the investment objectives.

29 FINANCIAL RISK FACTORS *(continued)*

The most significant financial risks the Group is exposed to are described below:

a) *Market risk analysis*

Foreign currency risk sensitivity

The Group's exposure to risk resulting from changes in foreign currency exchange rates is moderate as although transactions in Vietnam are settled in the VND, the value of the VND has historically been in recent times closely pegged to that of the USD, the reporting currency.

The Group has not entered into any hedging mechanism as the estimated costs of available instruments outweigh their benefits. On an ongoing basis the Investment Manager analyses the current economic environment and expected future conditions and decides the optimal currency mix considering the risk of currency fluctuation, interest rate return differentials and transaction costs. The Investment Manager updates the Board regularly on the currency position.

Foreign exchange risk

As at 30 June 2014 and 2013, the Group has foreign currency exposure mainly arising from holding cash and cash equivalents which is not denominated in its functional currency. As at the reporting date, had the VND weakened/strengthened by 5% in relation to USD, with all other variables held constant, there would be a net exchange loss/profit from the financial assets and liabilities denominated in VND (Note 8) of USD27.0 million (30 June 2013: USD28.4 million).

Price risk

Price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer, or factors affecting all instruments traded in the market.

The Group invests in listed and unlisted equity securities and is exposed to market price risk of these securities due to the uncertainties about future values of the investment securities.

The majority of the Group's equity investments are publicly traded on either of Vietnam's stock exchanges (HOSE or HNX).

As at 30 June 2014, the value of the holding in the equity of Vinamilk was 12.2% of the NAV of the Group (30 June 2013: 15.4%). The Group has no other holdings in individual equity positions exceeding 10.0% of the Group's net assets.

All securities investments present a risk of loss of capital. This risk is managed through the careful selection of securities and other financial instruments within specified limits and by holding a diversified portfolio of listed and unlisted instruments. In addition, the performance of investments held by the Group is monitored by the Investment Manager on a monthly basis and reviewed by the Board of Directors on a quarterly basis.

If the prices of the securities were to fluctuate by 10%, the impact on the NAV of the Group would be a gain/loss of USD53.8 million (30 June 2013: approximately gain/loss of USD44.0 million).

29 **FINANCIAL RISK FACTORS** *(continued)*

a) *Market risk analysis (continued)*

Cash flow and fair value interest rate risk

The Group's exposure to interest rate risk is related to interest bearing financial assets and financial liabilities. Cash and cash equivalents, and government bonds are subject to interest at fixed rates. They are exposed to fair value changes due to interest rate changes. The Group had no significant financial liabilities with floating interest rates. As a result, the Group had limited exposure to cash flow and interest rate risk.

b) *Credit risk analysis*

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. Impairment provisions are provided for losses that have been incurred by the Group at the reporting date.

A list of approved banks is maintained for holding deposits and have set aggregate limits for deposits or exposures to individual banks. While this list is formally reviewed at least monthly, it is updated to reflect developments in the market on a timely basis as information becomes available.

All transactions in listed securities are settled upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment. Payment is made for purchases once the securities have been received by the broker. The trade will be unwound if either party fails to meet its obligations.

All clearing, settlement, custodial and depository operations for the Group's investments in Vietnam are conducted through HSBC Bank (Vietnam) Limited.

The carrying amount of trade and other receivables, loan receivables and available-for-sale financial assets represent the Group's maximum exposure to credit risk in relation to its financial assets.

No credit limits were exceeded during the reporting period other than those fully impaired as disclosed in Note 10 and those being rescheduled during the year as mentioned below, there are no other losses expected from non-performance by these counterparties.

In accordance with the Group's policies, the credit position is continuously monitored, identified either individually or by group, and incorporates this information into its credit controls.

The valuations of financial assets that are impaired or overdue at each reporting date are reviewed based on the payment status of the counterparties, recoverability of receivables, and prevailing market conditions.

29 FINANCIAL RISK FACTORS *(continued)*

b) Credit risk analysis (continued)

The Group's exposure to credit risk is limited to the carrying amounts of financial assets recognised at the reporting date, as summarised below:

	30 June 2014 USD'000	30 June 2013 USD'000
Classes of financial assets – carrying amounts:		
Long-term loan included in interest in associates	27,618	35,124
Long-term loan to an associate	–	1,325
Short-term loan to related parties	5,235	7,501
Trade and other receivables	14,515	17,918
Financial assets at fair value through profit or loss	19,241	22,449
Short term investment	4,695	–
Cash and cash equivalents	21,551	53,392
	92,855	**137,709**
Allowance for impairment	**(13,387)**	**(5,101)**

A total allowance of USD13.4 million (30 June 2013: USD5.1 million) was provided for amounts that the Group expected to be uncollectible or impaired (Note 10).

Cash and cash equivalents, and term deposits are held at banks and financial institutions which do not have histories of default. Details are as follows:

Banks	**S&P's rating**	**30 June 2014 USD'000**	**30 June 2013 USD'000**
The Hong Kong and Shanghai Banking Corp	AA-	1,311	4,502
HSBC Bank (Vietnam) Ltd.	No rating (*)	11,836	23,398
Standard Chartered Bank (Hong Kong) Ltd.	B+ to BB-	2,458	5,792
Standard Chartered Bank (Singapore) Ltd.	B+ to BB-	1,400	1,651
Vietnam State-owned and joint stock banks	No rating (*)	4,546	18,049
		21,551	**53,392**

(*) These banks have no credit rating given by any international credit rating agencies. The Group has no other significant concentrations of credit risk.

29 FINANCIAL RISK FACTORS *(continued)*

c) *Liquidity risk analysis*

The Group invests in both listed securities that are traded in active markets and unlisted securities that are not actively traded.

The Group's listed securities are considered to be readily realisable, as they are mainly listed on either of Vietnam's stock exchanges (HOSE or HNX). However occasional lack of liquidity in the market can lead to delays in selling shares, which in turn, could impact the price realised if the Group needs to sell the shares quickly.

Unlisted securities, which are not traded in an organised public market, may be illiquid. As a result, the Group may not be able to quickly liquidate its investments in these instruments at an amount close to fair value in order to respond to its liquidity requirements or to other specific events such as deterioration in the creditworthiness of a particular issuer.

As at the reporting date, the Group's contractual financial liabilities shown in the consolidated balance sheet as current are repayable within six months (30 June 2013: six months) from the consolidated balance sheet date. The long-term contractual financial liability is not material to the Group.

d) *Capital management*

The Group's capital management objectives are to achieve capital growth and ensure the Group's ability to continue as a going concern. The Group is not subject to any externally imposed capital requirements.

Net assets are allocated in such a way so as to generate investment returns that are commensurate with the investment objectives outlined in the Group's offering documents.

Of the above balances, during the year, a receivable from a third party amounting to US$8.7 million and a short-term loan to an associate amounting to US$0.3 million were rescheduled.

e) *Fair value estimation*

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

- 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 (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

There were no financial liabilities for the Group which were measured using the fair valuation method as at 30 June 2014 and 30 June 2013.

29 FINANCIAL RISK FACTORS *(continued)*

e) Fair value estimation (continued)

The level within which the financial asset is classified is determined based on the lowest level of significant input to the fair value measurement.

The financial assets measured at fair value in the consolidated balance sheets are grouped into the fair value hierarchy as follows. See Note 6 for the prepayment for acquisition of investment properties that are measured at fair value.

	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
As at 30 June 2014				
Financial assets at fair value through profit or loss in Vietnam:				
– Ordinary shares – listed	418,964	4,599	–	**423,563**
– Ordinary shares – unlisted	4,697	81,301	2,691	**88,689**
– Government bonds	19,241	–	–	**19,241**
Financial assets in countries other than Vietnam:				
– Ordinary shares – listed	25,543	–	–	**25,543**
Available-for-sale financial assets:				
– Private equity investments	–	–	6,033	**6,033**
Other financial asset	4,695	–	–	**4,695**
	473,140	85,900	8,724	**567,764**

29 FINANCIAL RISK FACTORS *(continued)*

e) Fair value estimation (continued)

	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
As at 30 June 2013				
Financial assets at fair value through profit or loss in Vietnam:				
– Ordinary shares – listed	350,694	5,744	–	**356,438**
– Ordinary shares – unlisted	4,697	66,871	5,180	**76,748**
– Government bonds	17,752	–	–	**17,752**
Financial assets in countries other than Vietnam:				
– Ordinary shares – listed	21,521	–	–	**21,521**
Available-for-sale financial assets:				
– Private equity investments	8,700	–	5,784	**14,484**
	403,364	72,615	10,964	**486,943**

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities, government bonds and private equity investment that have committed prices at the consolidated balance sheet date. The Group does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices and dealer quotations are classified within Level 2. These include investments in listed equities and OTC equities. As Level 2 investments include positions that are not traded in active markets, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes;
- Use of discounted cash flow technique to present value the estimated future cash flows;
- Other techniques, such as latest market transaction price.

29 FINANCIAL RISK FACTORS *(continued)*

e) *Fair value estimation (continued)*

Level 3 instruments relate to investments in private equity and thinly traded shares. Investments classified within Level 3 have significant unobservable inputs as they trade infrequently. As observable prices are not available for these securities, the Group uses valuation techniques to derive the fair value and/or the value derived by independent valuation professionals. Level 3 valuations are reviewed on a half-yearly basis by the Company's Audit and Valuation Committee which in turn reports to the Board of Directors. The work of the Audit and Valuation Committee is assisted by the Investment Manager.

A sensitivity analysis for Level 3 investments is not presented as it was deemed that the impact of reasonable changes to any unobservable inputs would not be significant.

Transfers between levels

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred.

For the year ended 30 June 2014, there were two transfers between levels as follows:

Transfer from Level 1 to Level 2

During the year ended 30 June 2014, there were no transfers between Level 1 to Level 2. An unlisted investment worth USD1.6 million which was classified as Level 2 as at 30 June 2013 was sold during the year.

During the year ended 30 June 2013, the Group transferred two listed equities amounting to USD5.74 million that were thinly traded from Level 1 to Level 2.

Transfer from Level 2 to Level 3

During the year ended 30 June 2014, the Group transferred six unlisted investments amounting to USD2.6 million which were carried at par value from Level 2 to Level 3.

During the year ended 30 June 2014, two unlisted shares which were classified as Level 2 in prior year were transferred to Level 3 and fully provided for based on the known financial position of those investee companies as at the reporting date. The fair value loss of USD4.1 million was included in the consolidated income statement within the net gain in fair value of financial assets at fair value through profit and loss during the year.

During the year ended 30 June 2013, there were no transfers from Level 2 to Level 3.

29 FINANCIAL RISK FACTORS *(continued)*

e) *Fair value estimation (continued)*

Transfer from Level 2 to Level 3 (continued)

The following table presents the changes in Level 3 financial assets:

	Year ended	
	30 June 2014 USD'000	**30 June 2013 USD'000**
Opening balance	10,964	20,045
Additions	2,691	–
Transfers out of Level 3 (*)	–	(14,261)
Transfer from assets held for sales	–	4,900
Disposals	(5,180)	–
Reversal of impairment loss/gain recognised in income statement	249	280
Closing balance	**8,724**	**10,964**
Total gains for the year included in:		
– Income statement	249	280
– Other comprehensive income	–	–
	249	**280**

(*) Transfers out of Level 3 are due to disposals of investments.

SECTION 4

NOTICE OF 2014 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the VinaCapital Vietnam Opportunity Fund Limited will be held at 4pm local time on Wednesday 26 November 2014 at the offices of VinaCapital Singapore at 6 Temasek Boulevard, #42-01, Suntec Tower 4, Singapore 038986 for the purpose of considering and, if thought fit, passing the following resolutions all of which will be proposed as ordinary resolutions:

Resolution 1 – ordinary resolution To receive and adopt the Financial Statements for the year ended 30 June 2014, with the Reports of the Directors and Auditors thereon.

Resolution 2 – ordinary resolution To elect Ms Thuy Dam as a Director of the Company.

Resolution 3 – ordinary resolution To re-elect Mr Steven Bates as a Director of the Company.

Resolution 4 – ordinary resolution To re-elect Mr Martin Adams as a Director of the Company.

Resolution 5 – ordinary resolution To re-elect Mr Michael Gray as a Director of the Company.

Resolution 6 – ordinary resolution To re-appoint PricewaterhouseCoopers (Hong Kong) as independent auditor to the Company and to authorise the Directors to determine their remuneration.

Dated: 28 October 2014

By Order of the Board

Registered Office:
PO Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

HSBC Institutional Trust Services (Singapore) Limited
20 Pasir Panjang Road (East Lobby)
#12-21 Mapletree Business City
Singapore 117439

Administrator’s delegate

NOTES:

1. *A shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him or her. A proxy need not be a member of the Company. A Form of Proxy is enclosed with this notice. Completion and return of the Form of Proxy will not preclude shareholders from attending or voting at the meeting, if they so wish.*

2. *To be valid, the Form of Proxy, together with the power of attorney or other authority, if any, under which it is executed (or a notarially certified copy of such power of attorney) must be deposited with:*

   HSBC Institutional Trust Services (Singapore) Limited
   20 Pasir Panjang Road (East Lobby)
   #12-21 Mapletree Business City
   Singapore 117439

   Attn: Emily Siah

   or

   by fax on
   + (65) 6535 5244

   Attn: Emily Siah

   by no later than 6pm (Singapore time) on Monday, 24 November 2014

3. *A holder of ordinary shares (or the beneficial title thereto) must first have his or her name entered on the Register (or where ordinary shares are held in Euroclear or Clearstream otherwise be beneficially entitled to such ordinary shares by) not later than 1pm. (UK time) on Monday, 24 November 2014. Changes to entries in that Register after that time shall be disregarded in determining the rights of any holders to attend and vote at such meeting (or to provide voting instructions to the relevant Euroclear or Clearstream nominee).*

4. *Shareholders who wish to attend the AGM in person should follow normal Euroclear and/or Clearstream procedures.*

SECTION 5

INVESTING POLICY

Investment objectives
VinaCapital Vietnam Opportunity Fund Limited ("VOF" or "the Company") is a closed-end investment company incorporated in the Cayman Islands with the primary objective of achieving medium to long-term (3-5 years) capital appreciation and providing an attractive level of income, dividends and other distributions through investment in listed and unlisted companies, debt, private equity, real estate and other investment opportunities in Vietnam (primarily) and surrounding Asian countries Cambodia, Laos and southern China.

Investment Manager
VOF is managed by VinaCapital Investment Management Limited (the "Investment Manager" or "VCIM"), a Cayman Islands company. VCIM was established in 2008 and manages a number of listed and unlisted investment companies.

Investing policy
The Company will adhere to the following investment policies:

Type of investment
Investments will be made in comparatively undervalued assets with the potential for value enhancement and realisation, for instance in listed and OTC securities, expansion capital for early and mid-stage companies, listed funds, distressed assets, NPL portfolios and Vietnamese assets of distressed overseas investors. The Company will engage in all forms of investment as allowed under the laws of each jurisdiction in which it operates, including but not limited to, listed and non-listed equity, debt, convertible loans, other assets, and other instruments and structures that may be suitable to allow participation in selected investment opportunities.

Geographical focus
At least 70 per cent of the Company's gross assets will be invested in Vietnam or related to entities in other countries having substantial assets, liabilities, operations, revenues or income derived from Vietnam. Up to a maximum of 30 per cent of the gross assets of the Company may also be invested in neighbouring Asian countries (namely China, Cambodia and Laos), should the Directors consider that such investments offer potentially attractive returns or portfolio diversification.

Sector focus
Investment will primarily be made in key growth sectors of the economy as Vietnam modernises and domestic consumer demand develops with rising income levels, including retail and consumer goods, financial services, property and construction materials. The secondary focus will be on other expanding sectors such as tourism, manufacturing, infrastructure and export sectors where Vietnam has a comparative advantage.

Investment criteria
Key investment criteria will include:

- For investment in growth businesses, full use will be made of the established stock selection and analytical skills of the Investment Manager and its advisers and the broad experience of the Directors to select enterprises which, in their opinion, have sound products and good growth prospects.
- The Company will seek to identify businesses with a record of profit growth, with strong and motivated management teams who have adopted proven business models and which have the realistic potential of exit through trade sale, listing in Vietnam or in another country.
- The Investment Manager will utilise its extensive sourcing capabilities in real estate investment and expertise in property development to selectively invest in projects to capitalise on ongoing demand/supply imbalances in the property sector.
- The Directors in conjunction with the Investment Manager will also aim to achieve a balance in its exposure to different sectors. Furthermore, no single investment may at the time of investment exceed 20 per cent of the NAV of the Company.

It is the intention of the Company to be active in the development of a thoroughly researched and carefully selected portfolio of investments. The Directors intend that the portfolio will be developed in such a way as to take, where practicable, relatively large stakes in those enterprises which have met the Investment Manager's criteria.

Exit strategy
The Company is a publicly listed investment company on the London Stock Exchange's AIM Market. Investors are free to purchase and sell shares whenever they please. Concerning portfolio investments, the Company will aim to realise individual investments when the Board believes the realisation would be in the best interests of the Company, ideally within a five-year time frame.

Cross holdings
The Company may from time to time invest in listed shares of other closed-ended funds focused on Vietnam by selectively acquiring shares of such funds where the shares are currently trading at prices below the intrinsic value of the funds' underlying assets. This includes among others, shares in VinaLand Limited (AIM: VNL) and Vietnam Infrastructure Limited (AIM: VNI), closed-ended investment companies admitted to trading on the AIM market of the London Stock Exchange plc and also managed by VCIM. In such cases, VOF will enter into irrevocable arrangements with an independent third party broker to specifically purchase on its behalf and within certain pre-set parameters, ordinary shares in VNL and VNI. VOF intends to acquire and hold shares of VNL and VNI via such arrangements on a rolling basis. Furthermore, only the Independent Directors of the VOF Board shall be authorised to provide instructions to the Independent Broker and to vote on behalf of VOF at any VNL and VNI shareholder meetings. VOF may waive its right of first refusal to take up to a 25 per cent direct stake in new VNL projects. In addition, VCIM rebates to VOF the management fees earned that correspond to the portion of VOF's holding in VNL and VNI.

Leverage
The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures, debenture stock, mortgages, bonds and other such securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

Other information
The Company will adhere to the above investment policies, in the absence of unforeseen circumstances, unless these are changed by a shareholders' resolution. Such changes may be prompted by changes in Government policies or economic conditions which change or introduce additional investment opportunities.

Cash pending investment, reinvestment or distribution will be placed in bank deposits, bonds or treasury securities, for the purpose of protecting the capital value of the Company's cash assets.

In order to hedge against interest rate risks or currency risk, the Company may also enter into forward interest rate agreements, forward currency agreements, interest rates and bond futures contracts and interest rate swaps and purchase and write (sell) put or call options on interest rates and put or call options on futures on interest rates.

Valuation policy
The NAV per share is calculated (and rounded to two decimal places), in US dollars by the Administrator (or such other person as the Directors may appoint for such purpose from time to time) on a monthly basis (or at such other times as the Investment Manager may determine but in any event at least quarterly). The NAV shall be the value of all assets of the Company less the liabilities of the Company determined in accordance with the valuation guidelines adopted by the Directors from time to time. Under current valuation guidelines adopted by the Directors, such values shall be determined as follows:

The value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet, received shall be deemed to be the full amount thereof, unless in any case the Directors shall have determined that the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Directors may consider appropriate in such case to reflect the true value thereof;

The value of securities which are quoted or dealt in on any stock exchange (including any securities traded on an "over the counter market") shall be based on the last traded prices on such stock exchange, or if there is more than one stock exchange on which the securities are traded or admitted for trading, that which is normally the principal stock exchange for such security, provided that any such securities which are not freely transferable, or which are not regularly traded, or which for any other reason are subject to limited marketability, shall be valued at a discount (the amount of such discount being determined by the Directors in their absolute discretion or in a manner so approved by the Directors);

As regards unquoted securities:

- Unquoted investments will initially be valued at cost price, which will include any expenses relating to their acquisition;
- A revaluation of unquoted investments to a value in excess of or below cost may be made in the circumstances provided by and in accordance with the guidelines issued by the British Investment Fund Association or any successor body;
- All other assets and liabilities shall be valued at their respective fair values as determined in good faith by the Directors and in accordance with generally accepted valuation principles and procedures;

Any value other than in USD translated at any officially set exchange rate or appropriate spot market rate as the Directors deem appropriate in the circumstances having regard, inter alia, to any premium or discount which may be relevant and to costs of exchange. If the Directors consider that any of the above bases of valuation are inappropriate in any particular case or generally, they may adopt such other valuation or valuation procedure as they consider is reasonable in the circumstances provided that such other valuation or valuation procedure has been approved by the Company's auditors. The Directors may delegate to the Investment Manager any of their discretions under the valuation guidelines.

HISTORICAL FINANCIAL INFORMATION

Years ended 30 June	2009	2010	2011	2012	2013	2014
Statement of Income (USD'000)						
Total income from ordinary activities	29,075	134,263	(8,420)	54,556	120,750	119,487
Total expenses from ordinary activities	(25,869)	(29,047)	(27,214)	(25,424)	(29,515)	(35,921)
Operating profit before income tax	3,206	105,216	(35,634)	29,132	90,724	82,628
Income tax expense	(108)	(211)	(545)	(700)	(672)	(1,201)
Profit for the year	3,098	105,005	(36,179)	28,432	90,052	81,427
Minority interests	(3,684)	311	106	0	(202)	(239)
Profit attributable to ordinary equity holders	6,782	104,694	(36,285)	28,432	90,254	81,666
Statement of financial position (USD'000)						
Total assets	718,023	793,820	764,603	775,455	771,843	805,488
Total liabilities	36,111	11,319	12,697	9,810	19,400	26,533
Net assets	681,912	782,501	751,906	765,645	752,443	778,955
Share information						
Basic earnings per share (cents per share)	2.00	32.00	(11.00)	9.00	31.00	33.00
Share price as 30 June	1.43	1.40	1.57	1.50	2.13	2.50
Ordinary share capital (thousand shares)	324,610	324,610	324,610	312,536	261,376	238,255
Market capitalisation at 30 June (USD'000)	462,569	455,428	509,313	468,803	556,731	595,638
Net asset value per ordinary share (USD)	2.10	2.41	2.32	2.45	2.88	3.27
Ratio						
Return on average ordinary shareholder's funds	1.1%	17.0%	(6.0%)	4.0%	14.8%	14.6%
Total expense ratio (% of NAV)	2.24%	2.16%	2.13%	2.13%	2.13%	2.89%

Notes

Notes

OVERVIEW AND ADVISERS

Fund size
USD779.0 million (NAV as of 30 June 2014)

Fund launch
30 September 2003

Term of fund
Five years and then subject to shareholder vote to discontinue

Fund domicile
Cayman Islands

Legal form
Exempted Company limited by shares

Structure
Single class of ordinary shares trading on the AIM market of the London Stock Exchange plc

Auditor
PricewaterhouseCoopers (Hong Kong)

Nominated advisor
(Nomad) Grant Thornton Corporate Finance (UK)

Custodian
HSBC Trustee (HK)

Brokers

Edmond de Rothschild (UK) Limited	Numis Securities Limited
4 Carlton Gardens	The London Stock Exchange
London SW1Y 5AA	10 Paternoster Square
United Kingdom	London EC4M 7LT
www.countryfunds.co.uk	www.numiscorp.com

Lawyers
Wragge Lawrence Graham & Co LLP, Maples and Calder (Cayman Islands)

Base and incentive fee
Base fee of 1.5 per cent of NAV. Incentive fees are based on two separate pools of investments: direct real estate and all other investments. The incentive fee paid equates to 15 per cent of the increase in the NAV of each pool during the year over a hurdle of 8 per cent. The total amount of incentive fees paid in any one year is capped at 1.5 per cent of the pool's NAV.

Investment Manager
VinaCapital Investment Management Limited

Investment policy
Medium to long-term capital gains with some recurring income and short-term profit taking. Primary investment focus areas are: Privately negotiated equity investments; Undervalued/distressed assets; Privatisation of state-owned enterprises; Real estate; and Private placements into listed and OTC-traded companies.

Investment focus by geography
Greater Indochina comprising: Vietnam (minimum of 70 per cent), Cambodia, Laos, and southern China.

Registered office
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VinaCapital

PART C

ANNUAL REPORT AND ACCOUNTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

VinaCapital Vietnam Opportunity Fund Limited

Annual Report 2015

VinaCapital

CONTENTS

Front Cover: Investee company QNS, Vietnam's leading soy milk producer who make long-life soy milk under well recognised brands such as Vinasoy and Fami.

During the financial year ended 30 June 2015, VinaCapital Vietnam Opportunity Fund Limited's ("VOF" or "the Company") Net Asset Value ("NAV") per share increased by 3 cents or 0.9% to U$3.27, while the Company's share price remained unchanged at USD2.50, from the same period a year ago. Similarly, the Company's share price discount to NAV per share remained unchanged at 23% as at 30 June 2015, from the same period a year ago.

This is the first year that the Company has adopted the "Investment Entities" amendment to International Financial Reporting Standards ("IFRS") 10, "Consolidated financial statements" and its subsequent amendments (IFRS10A). This has essentially meant that the Company now accounts for investments held in subsidiaries at fair value through profit or loss rather than simply consolidating as in previous years. The net result of adopting these new accounting standards has meant that last financial year's NAV and NAV per share has been restated to USD771.4 million and USD3.24, from USD779.0 million and USD3.27, respectively. This annual report, which contains the audited financial statements, sets out in detail the impact of changes in accounting policies under Note 2.15 on page 74.

Performance summary	30 June 2015	% Change	30 June 2014	% Change	30 June 2013
NAV per share (USD)[1]	3.27	0.9%	3.24	15.2%	2.81
Share price (USD)	2.50	0.0%	2.50	17.4%	2.13
Discount	24%		23%		24%
VN Index (USD terms)[2]	593.05	0.3%	578.13	19.5%	481.13
VND depreciation	21,825	2.3%	21,330	0.7%	21,180

Source: Bloomberg.

[1] NAV per share for financial years 2013 and 2014 is based on the restated NAV and NAV per share following the adoption of new accounting standards. Refer to Note 18(c) of the annual financial statements on page 103.

[2] VN Index % change in USD terms, adjusting for currency depreciation.

SECTION 1

FINANCIAL HIGHLIGHTS FOR THE FINANCIAL YEAR 2015

Net asset value at 30 June 2015

USD718.7m

NAV per share at 30 June 2015

$3.27

Increase in NAV per share

0.9%

The stock market index of Vietnam (“VN Index”) has delivered lacklustre performance this financial year, increasing by 0.3% in USD terms over the financial year. However, this flat performance masks the underlying volatility of the market, influenced by domestic events, as well as volatility in global and emerging markets, and the impact of widespread currency depreciation. The Vietnam Dong (“VND”) devalued by 2.3% during the financial year, and has seen further devaluation subsequent to the financial year end.

Reflecting this volatility in the public markets, the capital markets component of VOF’s portfolio, which includes listed equities and over-the-counter (“OTC”) traded securities delivered a 1.0% return to contribute 0.8% to the overall portfolio return. Private equity investments continued to outperform, delivering a return of 13.1%, but given that this is an area of the portfolio which we are focusing on replenishing after several successful exits, this asset class contributed 1.2% to the change in the portfolio value over the period. Direct real estate, which excludes operating assets, continued to face challenges, delivering a negative return of 10%, primarily as a result of the adoption of IFRS10A and the corresponding valuation write-downs under fair value assumptions. This asset class contributed -1.4% to the portfolio return over the period. Finally, the realisation of the government bond investments in late 2014, prior to the currency devaluations set by the State Bank of Vietnam, delivered a 4.6% return, contributing 0.2% to the portfolio return for the financial year.

Throughout the financial year, VOF continued the ongoing share buyback programme in order to return capital to shareholders and attempt to stabilise the discount. During the twelve month period ended 30 June 2015, VOF spent USD47.3 million to repurchase 18.3 million shares. Since the commencement of the share buyback programme on 25 October 2011, VOF has spent USD213.3 million to repurchase 104.7 million shares, representing 32% of the total shares then in issue. Both the Board and the Investment Manager believe that this ongoing share buyback programme can be a method of distributing capital to shareholders and help narrow the discount of the Company’s share price to its NAV per share.

CHAIRMAN'S STATEMENT

Steven Bates
Chairman

" ...the normalization of capital markets should bring greater focus by international investors on the Vietnamese market."

Dear Shareholder,
This is my third statement to you as Chairman of the VinaCapital Vietnam Opportunity Fund Limited. This year I want to cover a number of topics which I and my colleagues on the Board think are important for all of you. I will start with a brief overview of the returns in the portfolio, revisit our investment strategy, then move on to our attempts to control the discount of the share price to the Net Asset Value ('NAV'). I will go on to canter through matters corporate which will include an attempt to explain some significant changes to the methodology we use to value our private equity and direct real estate assets. I will finish with a comment on some important developments in the capital markets in Vietnam. You will no doubt have noticed that these results are being released later than we had originally planned. This is because of some difficulties we have had surrounding the calculation of the incentive fee, which are explained in Part 3 of the section on Corporate Matters.

Returns
The 2015 fiscal year was rather lacklustre in terms of returns, with the NAV per share more or less unchanged during the period. The Investment Manager's report goes into detail about the contributions of the various parts of the portfolio to the overall return, so I will confine myself to an overview of the main sub-components.

The portfolio of listed equities represented 52.4% of total net assets at the end of June. This is down slightly on last year and reflects no significant shifts either into or out of the asset class. This part of the portfolio returned 0.2% versus the Vietnamese benchmark (known as the VN Index), which returned 0.3% in US Dollar terms, a good result in a market where the small overall market movement masked considerable volatility and currency weakness. Last year, we also had 9.4% of your assets in the so called over-the-counter ('OTC') traded securities. These are companies which are listed in the legal sense but which are going through a privatisation (or as it is officially known in Vietnam as equitisation) process which should eventually lead to active market trading. As reported at the half year, we sold our 23.6% position in An Giang Plant Protection for USD63.1 million. The reduction in weighting as a result of this successful exit was partially offset by some new OTC investments, but the net result was that the weighting in this area reduced to 4.9% at the end of the fiscal year.

Longer term returns in both of these areas have been good, and are set out in the table below (in USD terms):

Top 10 Holdings	Financial year 2015	3 years annualized	5 years annualized
Listed equities	0.2%	15.7%	8.8%
OTC securities	4.9%	12.7%	13.4%
Combined (Capital Markets)	1.0%	15.4%	9.8%
VN Index (USD terms)	0.3%	10.6%	5.8%

While we hope to invest a greater proportion of the assets in OTC traded securities, the Investment Manager is restricted by the slow progress of the privatisation process and the lack of interesting companies of a scale and at a valuation which make sense for VOF. We continue to monitor the situation.

The weighting in private equity, which represented 11.3% of assets at 30 June 2015, compared to 2.5% a year earlier, reflects the major investment of USD34.5 million in International Dairy Products, which was described at the half year stage. We have also made a USD15 million investment into a convertible instrument issued by Novaland, one of Vietnam's pre-eminent residential property developers. Novaland plans to go public within two years, a liquidity event which should provide us with an option to exit having made a good return.

The result from this part of the portfolio returned 13.1%, which captures the write-back of USD2.3 million of receivables which were unexpectedly collected during the year as well as net adjustments of USD4.9 million as a result of changes to the methodology which we use to value our private equity investments under recently adopted accounting standards. The longer term returns from this asset class have been excellent, as shown in the table below (in USD terms):

Top 10 Holdings	Financial year 2015	3 years annualized	5 years annualized
Private equity	13.1%	25.9%	21.3%

Given the scale of the historic returns and a belief on the part of the Investment Manager that opportunities abound, this is an area where VOF would like to deploy more capital, particularly in the service sector. Whilst it is not easy to close private equity transactions in any frontier market, and the difficulty of ensuring appropriate protection and agreeing reasonable valuations can derail deals at any point, the Investment Manager remains optimistic that despite the inherent need to be opportunistic, the proportion of capital invested in this area will rise.

Our record in direct real estate has, however, not been good. This year, some of our investments were impacted by an increase in land taxes which caused us to write-down the value of certain assets. Most of our directly invested real estate assets are held as co-investments with VinaLand Limited, another investment company managed by VinaCapital. The strategy has been to reduce the exposure to this asset class, with a view to exiting altogether, and it is disappointing that we were unable to achieve any significant exits during the fiscal year, leaving the weighting of the portfolio at the end of the year at 13.9%.

We categorize an additional 11.5% of our portfolio as being 'operating real estate assets', by far the largest part of which is the Sofitel Metropole Hotel in Hanoi. It has been a stable rather than a spectacular year in the hospitality industry and returns here have been below what we would expect over the medium term for a premium asset. The longer term returns reflect the dividends earned by the hotels, as the underlying valuation has not changed significantly. The Investment Manager is actively considering a number of options in this area.

The returns are shown in the table below (in USD terms):

Top 10 Holdings	Financial year 2015	3 years annualized	5 years annualized
Direct Real Estate	-10.0%	-9.2%	-9.2%
Operating Real Estate	4.5%	3.3%	3.9%

Strategy
Our investment strategy has not changed:

1. We intend to reduce our exposure to direct real estate. The investment in Novaland is an indirect exposure to the sector and more in keeping with our approach, which is to focus on a spread of third party developers.
2. We continue to look to add to OTC and private equity assets, albeit opportunistically. Our experience suggests that these are areas where illiquidity is rewarded with superior returns.
3. We retain the largest part of the portfolio in listed assets. Our approach here is differentiated from a conventionally diversified fund in that it comprises positions where the Investment Manager has influence and looks to add value to a business by helping with the development of good governance and management practice as well as by offering strategic advice. Often, these companies have been in the portfolio since they formed part of the OTC assets.

Discount Management
Every statement I have written has contained an expression of disappointment that the discount to NAV remains too high. This year's is no exception. While we have continued to buy shares back and the Investment Manager has taken an active approach to spreading the 'VOF message', the impact has been less than your Board would like. This year, we bought back USD47.3 million of stock, adding 5 cents to NAV per share and, since the inception of the buyback programme in November 2011, the total value of shares bought back amounts to USD214 million with a cumulative accretion to NAV per share of 37 cents.

The buy backs are designed to affect the supply side of the discount problem. This year, the Board and the Investment Manager have been implementing a plan to influence demand. The centrepiece of this is to change the domicile of the Company to Guernsey and list the shares on the Premium segment of the London Stock Exchange's Main Market (LSE). The rationale is to open up the Company to the broadest possible range of investors, many of whom were unable to buy shares that are admitted to trading on AIM or domiciled in the Cayman Islands. The Board also expects that the shares of the Company will be admitted to the FTSE All Share Index in due course, which is likely to generate additional demand over time for our shares.

I am pleased to be able to report that Shareholders voted in favour of these changes to VOF's domicile at an Extraordinary General Meeting held on 27 October 2015. As part of the process, new Articles have been adopted. This also paves the way for the Company to be listed on the LSE some time in early 2016.

Of course, this project of itself is not a one shot solution to the discount conundrum. It must be accompanied by a serious effort to market the Company's shares widely and to continue with the buyback programme. Both the Board and the Investment Manager are fully committed to these objectives.

Corporate Matters
1. Corporate Governance – as part of VOF's proposed listing on the LSE, we have reviewed our compliance with the Corporate Governance Code issued by the Association of Investment Companies (the 'AIC Code'). We had already committed to upholding high standards of governance and transparency and have historically benchmarked ourselves against the AIC Code. Details of this exercise can be found on pages 48 to 54 of this report. We are, in all material senses, compliant with the AIC code and, where we are not, an explanation is given.

2. Accounting standards – we have adopted a new standard for valuing our private equity and direct real estate assets. This is known as IFRS 10A, and it has involved a significant change in the methodology that we use to value these assets. In the past, we used a so called 'impairment' approach, which looked at the value of a business from a pure accounting view. We also had to consolidate the net assets of subsidiaries. The new standard requires us to apply a protocol called 'Fair Value through Profit and Loss' (FVTPL). This standard requires us to apply judgement as to what an asset might fetch on the open market under 'normal' conditions. This means taking into account all sorts of factors beyond pure accounting. For example, are there similar companies trading on the market from which to benchmark a value? Are there specific issues in the shareholders' agreement which warrant a higher/lower valuation, or real estate held at cost rather than market value? We have opted to take professional advice on these matters and have contracted with KPMG to go through a detailed valuation exercise on all relevant assets. The results of this process are disclosed in Notes 2.2 and 2.15 to the financial statements. There are three particular points to which I would draw your attention:

   a. The results for last year have been restated to reflect what would have been the case had we applied IFRS 10A to last year's accounts. On this basis, the NAV at the end of the last fiscal year was USD771.4 million rather than USD779.0 million.

   b. The effect on net assets of the changes which the Board has approved amounts to USD7.6 million, or a reduction of 3 cents per share. The major changes to previous values were due to valuation adjustments of the direct real estate and operating assets portfolios as a result of applying IFRS10A, including adjustments to the values of the Sofitel Metropole Hotel, Century 21 and Danang Beach Resorts.

   c. In Note 29 to the accounts, on page 110, there is a hierarchical breakdown of the assets. You will see that all of VOF's assets are characterized as Level 3, which implies that they are illiquid and may be subject to valuation by the directors. This is misleading, and is shown in this way because all of VOF's listed assets are owned by Special Purpose Vehicles (SPV's) which are themselves not listed. We do this in order to ensure that our assets are held in a tax and operationally efficient manner, but the accounts do not recognize this. For clarity, we have also chosen to show the 'look through' position, which is shown in the same Note to the financial statements.

3. Incentive fee – There has been a difference of interpretation between the Company and the Investment Manager about certain provisions of the investment management agreement relating to the calculation of the incentive fee. Negotiating a resolution to this issue has delayed the release of the Company's results. The Board has taken independent legal advice on the matter. In order to avoid the costs and financial uncertainty of recourse to a legal solution and with a view to maintaining the relationship with the investment manager for the future, the Board and the Investment Manager have agreed a compromise whereby the incentive payment for the last financial year was $3.67m. The impact of this fee on the NAV per share for 30 June 2015 is an increase of 2 cents (0.6% per share) compared with the previously released estimated NAV per share at that date. Furthermore, and as an integral part of the settlement described above, the Investment Manager and the Board have agreed that the investment management agreement will be modified to reduce the possibility of differences of interpretation in the future. The Board believes that this solution is in the best interests of the Company and its shareholders.

4. Listing on the Premium segment of the London Stock Exchange Main Market – as a result of our proposed Main Market listing, we will be required to comply in subsequent periods with some new procedures. While these are not onerous, and are generally in shareholders' interests, I thought I should set some of them out. The main differences between AIM and the LSE are as follows:

   a. Results announcements have to be quicker. Our interim results must be released within three months of the relevant closing date, and our final results within four months, instead of three and six months respectively;
   b. We are able to buy back under a single authority a maximum of 14.99% of our share capital. Should we reach this limit, we will need to call a General Meeting to refresh the authority;
   c. Our new Articles introduce pre-emption rights, which prevent the Company issuing shares unless they are offered on the same terms to all shareholders. As is standard practice, these pre-emption rights have then been waived on issues of up to 10% of share capital, but we will not exercise this capacity to issue except at or above the prevailing NAV per share;
   d. The share of votes required to pass a special resolution increases to 75% from two thirds.

5. Shareholder Communication and AGM – I want to reiterate what I have said before, which is that this is your Company and both the Board and the Investment Manager are readily accessible to all of you at any point. We welcome suggestions about how we could improve communication and reporting. This year we will hold our third AGM in Guernsey on 26 January 2016. You are all very welcome to attend.

Outlook

Emerging markets have been experiencing something of a perfect storm. Markets have been upset by the prospects of an end to the very easy monetary policy in the US, and the resultant strength of the US Dollar has led to many emerging market currencies suffering significant devaluation. The most recent capitulation of the Chinese Renminbi led to competitive adjustments of many currencies, including the Vietnam Dong (VND). The VND has fallen by approximately 5% this calendar year compared with the USD, and it seems likely that any general weakness in emerging market currencies will be matched by the Vietnamese authorities. This uncertainty led over the summer to weakness across the emerging world, which is adjusting to lower commodity prices and a deceleration in growth rates which may be more than cyclical. Vietnam has been fairly resilient in the face of these headwinds.

Meanwhile, Vietnam has made important changes to the percentage of publically listed companies which can be owned by foreigners. This is a key step in the normalization of capital markets and should bring greater focus by international investors on the Vietnamese market. The stock market boasts a reasonable valuation by South East Asian standards and the underlying macro-economic conditions are gradually improving.

Many emerging markets are struggling to come to terms with the fact that they have actually 'emerged', and there are few significant investment opportunities which still deserve the epithet. Vietnam is not one of these and once conditions in the investment world calm down somewhat, its markets should be a beneficiary of its very strong fundamentals.

Steven Bates *Chairman*
VinaCapital Vietnam Opportunity Fund Limited
29 December 2015

SECTION 2

INVESTMENT MANAGER'S REPORT – 2015

INVESTMENT ENVIRONMENT

The financial year in review
During the financial year ended 30 June 2015, the Vietnam Index (VN Index) increased by 0.3% in USD terms after adjusting for the State Bank of Vietnam's (SBV's) official currency devaluations over the financial year (once in January 2015 by 1%, and a second time in May 2015 with a further 1% devaluation, raising the reference rate from 21,458 to 21,673). Subsequent to the financial year, in August 2015 the SBV devalued the Vietnam Dong (VND) again, this time by 1% while also widening the VND trading band to +/-3% from +/-1%. The VND has depreciated by nearly 5% so far this calendar year compared with the USD, but has nonetheless strengthened against many other ASEAN currencies.

Currency devaluation and volatility have been key themes for the year, as the SBV attempted to cope with negative influences from international markets. The SBV's decision officially to adjust the currency's reference rate by 3% this calendar year seems warranted from a macroeconomic perspective, all the while limiting the scale of central bank intervention in an attempt to preserve a foreign exchange reserve of almost USD40 billion (equivalent to 3 months of exports).

Nevertheless, the VND has been one of the more stable currencies amidst widespread emerging market currency depreciation, with regional export-oriented peers like Thailand's Baht falling 8%, Indonesia's Rupiah losing 12% and Malaysia's Ringgit down by 17% against the USD this year respectively. In turn, the devaluation has helped Vietnamese exporters compete against cheaper goods from China and other regional peers.

The resilience of Vietnamese exports is also attributable to a spectacular shift in the export structure over recent years, from traditional agricultural goods to more labour-intensive manufacturing such as shoes and textiles, and capital-intensive manufacturing including smart phones and electronic appliances. While Vietnam remains among the world's top five exporters of coffee, natural rubber and rice, it has rapidly climbed the ranks in the export of higher valued-added manufactured goods. For example, Samsung Electronics has committed over USD12 billion in foreign direct investments ('FDI') to produce smart phones, displays and appliances in the country. Microsoft Corporation announced in July 2014 that they would move their smart phone manufacturing operations to Vietnam from China, and several manufacturers of Apple product components have indicated that they intend to relocate to Vietnam as the relative cost of labour continues to rise in China. Overall, according to the Foreign Investment Agency of Vietnam, FDI continues to increase, with registered FDI of USD19.3 billion as of October year-to-date, and is forecast to exceed 2014 commitments.

Vietnam's currency stability relative to regional peers

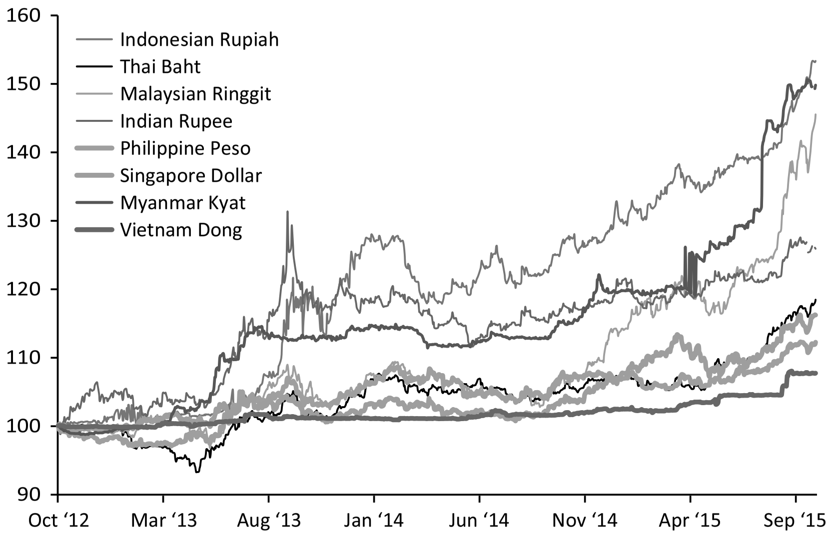

Figure 1: Relative movement of VND versus basket of South East Asian currencies 2012 – 2015, showing the longer-term stability of the VND against regional export-oriented peers.
Source: Bloomberg.

Lower commodity prices, in particular oil and gas, have helped contain inflation to multi-year lows, a trend that is expected to continue for the remainder of the year. Coupled with a more competitive currency, the reduction in commodity prices has been a boon to Vietnamese exporters, with a small trade deficit reported after several years of record trade surpluses. Domestic consumers have also benefited from lower prices at the fuel pump and from cheaper imported goods from China, where manufacturers struggle to keep utilization rates and employment steady in the face of rising labour costs. Consumer confidence and private consumption growth continues to show strong signs of recovery, thanks to ongoing FDI, rising discretionary income, low inflation and declining energy costs.

However, lower oil prices have meant that the government has had to resort to other measures to narrow the widening budget deficit. Vietnam is the 7th largest oil producer in the Asia Pacific region, and oil revenues, which have in the past contributed 20% of the state's revenues, are currently at 39% of their yearly estimate as of the first half of 2015. Driven by a progressive reduction in corporate income taxes, tax revenue collection is well below estimates while the aggressive fiscal spending program has not abated, and as a result the budget deficit is forecast to grow to almost 6% of GDP by the end of 2015. Finally, the ambitious program of partially privatising State-owned enterprises has, until recently, stalled and failed to deliver the headline-grabbing attention that would bring much needed foreign money to help ease the budget shortfall.

The combination of strong domestic demand, lower commodity prices, continued fiscal spending, and strong credit growth has led to an improvement in overall economic strength, with real GDP growth accelerating to 6.0% in 2014 after 2 years of sub-par growth. This growth has continued through the first half of 2015, with real GDP growing by 6.3% year-on-year, placing Vietnam amongst the best performing emerging economies in South East Asia.

Foreign direct investments remain strong

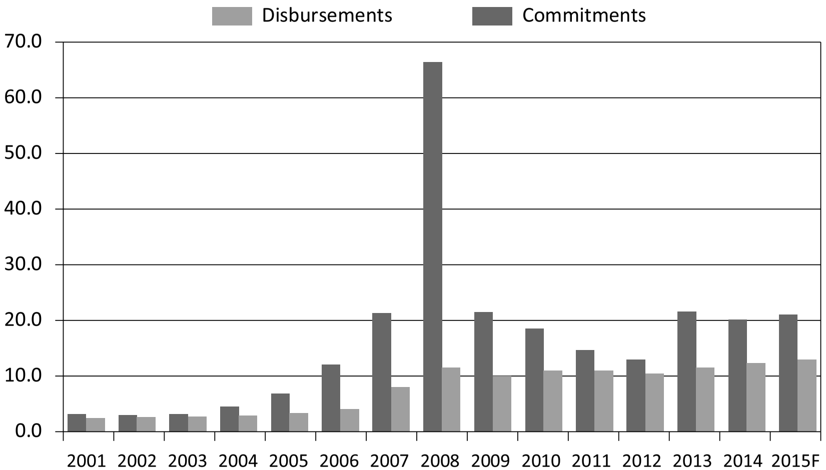

Figure 2: FDI commitments and disbursements 2001 – 2015F, showing a steady increase in disbursements over recent years. *Source: Ministry of Planning and Investment.*

Trade (including exports) remain a key growth driver

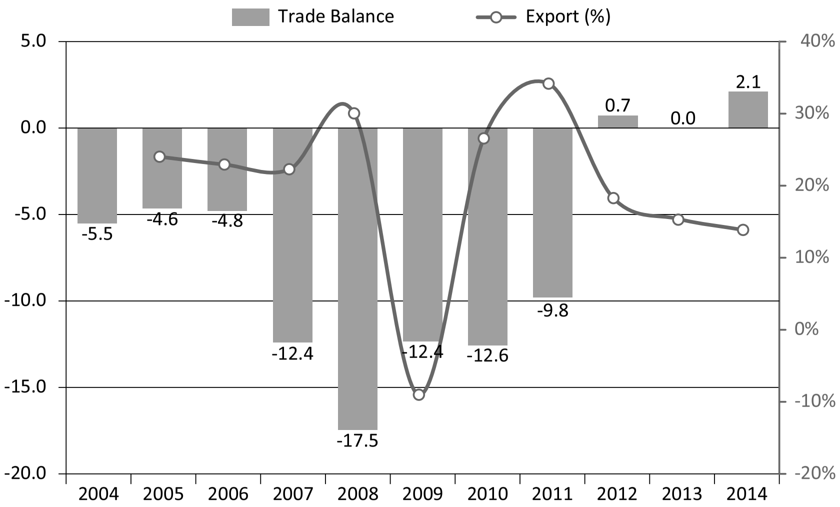

Figure 3 Trade balance and the percentage of exports, 2004 – 2014, showing a strong trade balance supported by stable export performance in recent years. *Source: Vietnam Customs Office, General Statistics Office of Vietnam.*

Gradual credit growth provides a stable growth environment

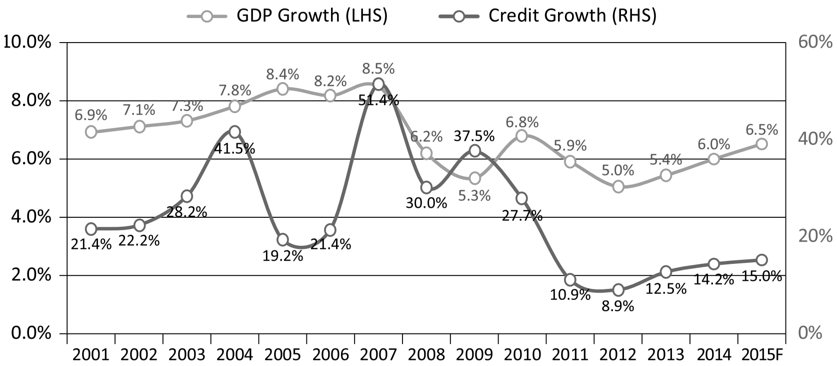

Figure 4: GDP and credit growth 2001 – 2015F, both demonstrating stable rates of growth in recent years. *Source: General Statistics Office of Vietnam, Bloomberg.*

INVESTMENT MANAGER'S REPORT

PORTFOLIO PERFORMANCE

Portfolio review

Against this backdrop of market volatility, the Company's portfolio has displayed similar variations in return, with the capital markets portfolio performing almost in line with the VN Index, while over-the-counter (OTC) traded securities and private equity continued to deliver strong returns. The direct real estate component has been negatively impacted primarily by valuation adjustments as a result of the Company adopting new accounting standards and changes in the land tax rate.

Overall, VOF's NAV per share increased by 3.0 cents during the financial year 2015 to USD3.27, from USD3.24 (2014 NAV per share restated as a result of adopting new accounting standards), of which 5.2 cents accretion was a result of the share buyback programme, 0.4 cents accretion from the portfolio on a VND basis, while the impact of the VND depreciation on the portfolio resulted in a negative contribution of 2.6 cents.

VOF's listed equities portfolio has reduced slightly to 52.4% of the total portfolio versus 55.8% as of last financial year, as we continue to concentrate and build up our positions in key holdings where we are able to negotiate significant blocks, such as Khang Dien Housing (KDH), or where we can demonstrate a premium to market price as a result of foreign ownership being at or close to prescribed limits, such as with Vinamilk (VNM).

The other component of our capital markets portfolio is OTC traded securities which has reduced to 4.9% of the total portfolio versus 9.4% as of last financial year, primarily as a result of our successful divestment of An Giang Plant Protection (AGPP) in September 2014 which reduced our total portfolio allocation, while a dearth of investible opportunities from the State's privatisation programme – traditionally the pipeline for OTC investments – has not helped replenish this part of the portfolio. However, in September 2014 we deployed some of the proceeds from the exit of AGPP to increase our OTC portfolio by investing in the privatisation of Vinatex, Vietnam's leading garment and textile company.

Turning to the private equity portfolio, as of the end of the financial year 2015, private equity accounted for 11.3% of the total portfolio, up from 2.5% last financial year. In December 2014 we successfully invested in International Dairy Products (IDP), a leading consumer goods company that dominates southern Vietnam's market for flavoured milk and yogurt products. We took a controlling stake in this business and implemented several changes including the appointment of an industry veteran as the new CEO. In June 2015, prior to the end of the financial year, we deployed almost USD15 million into Novaland Group, one of Vietnam's leading residential property developers, through a redeemable convertible preferred equity instrument that provides an annual dividend payment and offers significant downside protections to our investment. While this investment has been classified under "unlisted and OTC shares" in the financial statements, given how we monitor this investment and the terms we were able to negotiate concerning the downside protections, for portfolio monitoring and reporting purposes we classify this as a private equity investment.

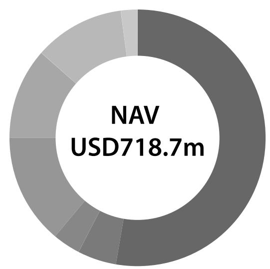

Figure 5: VOF portfolio by asset class as at 30 June 2015.

Meanwhile, operating assets which include our hospitality investment in the Sofitel Metropole Hanoi Hotel, represent 11.4% of NAV, up from 9.1% reported last year, primarily as a result of the reclassification of Huong Vuong Plaza, a mature, cash-yielding investment which in prior years was classified under direct real estate. Similar to the Novaland investment mentioned above, we have taken a different classification to the financial statements for this investment, placing it under operating assets better reflects its mature, cash-yielding nature, whereas direct real estate investments should more accurately reflect the development risk associated with projects.

Finally, with regards to our direct real estate portfolio, efforts continue to reduce the development risk through the divestment of several large projects in this portfolio. As of 30 June 2015, direct real estate represents 13.8% of the total portfolio, down from 14.3% as of last financial year. Efforts continue, with negotiations at various stages of progress, and on some projects, deposits have been taken from potential buyers while they proceed with their due diligence. We believe that the real estate sector continues to show promising signs of recovery, and we will position the portfolio for this recovery through public equity or private equity investments where we are able to negotiate attractive terms.

Capital markets

Sector overview

We remain optimistic on the prospects for Vietnam's public equities market as a number of changes in regulations may lead to strong upside potential, although any delays would be likely to dampen market performance. These catalysts include:

- The gradual easing of foreign ownership limits in listed companies.
- A reduction of stock settlement timing from T+3 to T+2 and allowing intra-day trading for more liquid stock.
- Plans for a derivatives market.
- Allowing foreign ownership of residential property.
- Participation into various free trade agreements including, hopefully, the Trans-Pacific Partnership (TPP).

After the year end, the volatility witnessed in international markets between August and September 2015 saw some governments, particularly China, intervening in an attempt to create some level of stability and confidence, although the effectiveness of any intervention remains questionable and goes against the principles of an open and freely operating market. While Vietnam's markets also suffered from wild swings during this period, importantly, instead of trying to interfere with the market, the Vietnamese government's decision to allow greater foreign access has instead allowed the market to operate like a properly functioning free market.

In order to encourage foreign participation in the market, the government resolved eventually to lift the foreign ownership limits (FOLs) on a number of domestic companies. The details of this policy move remain somewhat unclear and the true impact has yet to be seen, however early signs are encouraging although there is still significant work to be done to encourage more companies to lift their limits. The FOL theme has consistently been touted as a catalyst for market growth, but until the government offers clarity on which sectors remain restricted little meaningful progress can be made.

As mentioned above, the financial year ended 30 June 2015 saw the VN Index close at 593 points, an increase of 2.6%, or 0.3% in USD terms. While this financial year's level of performance is well below that of recent years (in financial year 2014 the index was up by 19.2% in USD terms), the index did in fact reach its peak of 640 points in early September 2014, and its trough of 518 points in mid December 2014. The December low was partly a result of the government's decision to increase capital adequacy ratios at large banks, which resulted in a sharp reduction in margin-lending levels, which are traditionally seen as a key source of capital for domestic investors.

Since the financial year end, the VN Index surged to 639 points in mid-July 2015, as investors reacted positively to news of the decision to lift the FOL's on listed companies. This rally was short-lived as global markets corrected in reaction to China's unexpected decision to devalue their currency and ongoing concerns of China's economic slowdown impacting the global economy. The VN Index had pulled back to 526 points by late August, but has subsequently seen a return to above 600 points by the end of October. On a calendar basis, in USD terms, the VN Index is up approximately 6% year-to-date versus 6.7% for the 2014 calendar year.

Banks have been the best performing sector in the market, up by 54.9% for financial year 2015, benefitting from relatively strong loan growth. If there is further VND depreciation, this could result in increased pressure on VND deposits to leave the system for USD, gold or real estate. This in turn would force banks to raise deposit rates and perhaps increase borrowing costs to maintain their margins, which would not be conducive to lowering the number of non-performing loans or for corporate profits in general. Furthermore, the government recently announced measures to prevent banks paying annual interest of more than 0.5% on USD deposits, in an attempt to limit hoarding of USD deposits.

Asset class performance

On the capital market side, as at 30 June 2015 the listed equities portfolio (52.4% of NAV) performed in line with the market, with key stocks such as Vinamilk (VNM), Khang Dien Housing (KDH) and Phu Nhuan Jewelry (PNJ) performing well, driven by impressive growth in their underlying core businesses of over 30% on average. However, performance was dragged down by weaknesses in oil and gas stocks such as PetroVietnam Drilling (PVD) and PetroVietnam Services (PVS) (both top-10 stocks in VOF's listed assets portfolio) due to low oil prices.

During the year we also took profit and trimmed down our position in VNM. In August 2014 and again in June 2015, the Manager sold 4.5 million shares in aggregate of VNM to a strategic investor in an off-market transaction, crystallizing a 15% to 17% premium to the prevailing market price of VNM shares at the time of each sale. As at the 30 June 2015, seven holdings in our listed equity portfolio were at or near their foreign ownership limits, equivalent to 42.1% of the listed portfolio, or 21.7% of the total portfolio. These include top 10 portfolio holdings in VNM, KDH, Hau Giang Pharmaceuticals (DHG), and PNJ. While admittedly the foreign premiums associated with specific stocks may fluctuate, our track record has demonstrated that we have been able to divest at significant premiums to the prevailing market price at exit. These transactions are testament to the value of large, significant holdings in the VOF portfolio in companies that are at or near their foreign ownership limits. Foreign investors are still willing to pay a premium for access to these stocks, a sentiment that is likely to continue until the authorities in Vietnam provide real clarity on how and when they will fully lift foreign ownership limits.

VOF's second largest holding in the listed portfolio, steel producer Hoa Phat Group (HPG), was impacted after setting a low profit target which disappointed analysts and spurred selling, particularly by foreign investors. Incidentally, after VOF's financial year end better business conditions allowed the company to raise its profit forecast by 40% and consequentially the stock has risen by 30%. This illustrates just how quickly events can unfold in Vietnam. We took the opportunity to add to our HPG position in the portfolio prior to the revised upward forecast in the belief that the stock was oversold. We believe that the construction materials sector will do well as the property market recovers, the government continues to spend on infrastructure projects and as GDP growth continues above 6%.

Eximbank (EIB), the third largest holding in the listed portfolio, underperformed the banking and financial services sector during the financial year, due to both technical and company specific reasons. EIB has little foreign ownership room available and thus does not qualify to be part of the portfolios of various international exchange traded funds (ETF's). As a result, EIB share prices underperformed the sector as these funds started to acquire significant stakes in the larger State-owned commercial banks. In addition, shareholders, particularly domestic investors have been awaiting the final resolutions of: 1) the bank's non-performing loans (NPL's) which, similar to other joint stock banks, should come to a conclusion by the end of 2015; and 2) the bank's corporate restructuring, including the appointment of new members to the Board of Directors and Management team. During the first half of 2015, EIB suffered from the unconfirmed media reports that allege EIB may merge with a smaller, potentially weaker, bank. Given VOF's 5% stake in EIB, any decision to divest would most likely involve an exit to a strategic investor.

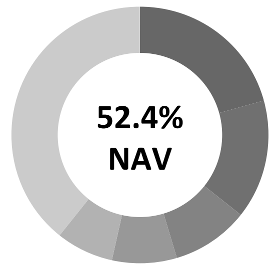

Figure 6: Listed equities, 52.4% of total portfolio as at 30 June 2015.

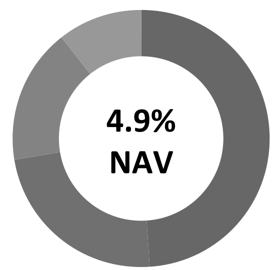

Figure 7: OTC traded securities, 4.9% of total portfolio as at 30 June 2015.

In the OTC portfolio, after a significant reduction in the portfolio following the divestment of An Giang Plant Protection (AGPP) in September 2014, which delivered an IRR of 23.7% and returned USD63.1 million to the fund, we have sought to replenish the Fund's allocation to this asset class. At the moment, OTC companies are mostly State Owned Enterprises that have undergone privatisation. In October 2014, VOF participated in one such privatisation opportunity, investing USD8 million for a 3% stake in Vinatex, Vietnam's leading garment and textile manufacturer.

In March 2015, the Manager on behalf of VOF also negotiated to acquire a small stake in QNS for USD16.7 million. QNS is a leading food and beverage business in Vietnam with revenues of USD303 million and profit after tax of USD27 million in calendar year 2014. Their best selling product is soy milk (contributing 46.6% of total revenues for 2014) followed by beer and sugar produced from sugarcane. We believe that QNS can grow both average revenue and profit by over 25% per annum over the coming years.

Finally, in March 2015 we also witnessed South Basic Chemicals (CSV) move from being OTC traded to list on the public market as part of the company's commitment to IPO and list after a highly successful privatisation. The share price of CSV has since performed well, relative to the volatility experienced by the wider market, trading at times over 20% above its initial listing price.

Fundamentally, the companies in our OTC traded portfolio on average have experienced strong growth in sales and profit, such as QNS where we have seen profit grow by 48% in Q1 2015.

Overall, in USD terms, the capital market portfolio, including listed equities, OTC traded securities and overseas equity which includes our holdings in Vinaland Limited (VNL) and Vietnam Infrastructure Limited (VNI), added 2.1 cents to the NAV per share.

Private equity

Sector overview

We have been successful in converting several deals that were in the pipeline into investments over the past financial year, and therefore increased our private equity portfolio weight to 11.3% from 2.5%. In recent years we have capitalised on divestment opportunities in mature private equity investments across sectors such as healthcare (Hoan My Hospital Group), education (International School of Ho Chi Minh City) and construction materials (Prime Group). These exits have usually been to strategic investors who seek companies with strong brands, well-established distribution channels, and a track-record of top-line earnings growth. Similarly, our recent investments continue with this theme, albeit the deals have involved larger stakes, longer periods of due diligence, and hence at times protracted negotiation of terms to ensure adequate downside protection.

During the year, we made an investment in International Dairy Products (IDP), a leading dairy company that has strong positions in the yogurt and flavoured milk market in southern Vietnam. While it may be tempting to monetise this investment quickly, we have instead opted to help increase the diary company's product range, market share and distribution reach. Furthermore, a key tenet that was crucial for us to invest into this company was that we had the ability to appoint one of Vietnam's leading consumer goods marketing executives as IDP's head of marketing and he was subsequently promoted to CEO. His extensive experience with consumer goods companies like Pepsico, Vinamilk and TH Milk has benefited IDP since his appointment in late 2014. IDP is seeking to grow market share and earnings aggressively, given the low levels of dairy consumption among Vietnamese consumers at less than 20 litres of milk per annum compared to regional peers like Thailand and Malaysia where milk consumption averages 30 to 50 litres per annum respectively.

The other addition to the private equity portfolio this financial year came in June 2015 when we participated in a syndicated deal to invest into Novaland, one of Vietnam's leading residential property developers, deploying close to USD15 million into a redeemable convertible preferred equity instrument that was part of a USD47 million syndicated offer alongside two other financial investors. The investment carries an attractive annual interest coupon of 5% but, more important, locks in several terms that allow us to exercise a range of downside protections should the company miss certain deadlines. However, our expectation is that Novaland will successfully IPO and list within the next 18 to 24 months. The company's projects, which are located throughout Ho Chi Minh City and developed under the Novaland brand, were valued at USD753.4 million as of 31 December 2014. The company has over 5,000 units either sold, pre-sold or under development, as well as over USD190.0 million in signed contracts to acquire additional land for future development. Novaland continues to demonstrate strong sales growth this calendar year as several new well-located, mid-scale projects have been launched.

Going forward, private equity remains an area of focus and we will seek to convert several deals currently in the pipeline. While too early to name, sectors that we are actively looking into include construction materials, healthcare and education. Not only are these sectors that we have demonstrated a good track record of investments and returns, but they are also sectors that feature highly in discussions with institutional and strategic investors as they seek potentially to partner with us to invest into Vietnam. Our unique network of business and government leaders, and our ability to navigate through licensing and administrative issues, places us in a unique position to capitalise on these private equity investments for VOF, although, as always in frontier markets, there is no assurance given that deals can be closed.

Asset class performance

The top five holdings in the private equity portfolio now make up over 10% of the total portfolio as we seek to invest into larger-sized deals. In addition, during the financial year some of VOF's holdings were written up after an independent valuation was carried out by KPMG based on fair-value methodologies under IFRS10A accounting standards. The net adjustments from this valuation exercise resulted in a write-up of USD4.9 million to the private equity portfolio over the financial year. VOF has also received money from Mai Linh Taxi which had been previously written down due to problems recovering overdue debts from the company. The company has now committed to repaying the full value of the outstanding loan, resulting in a write-back of USD2.3 million to NAV.

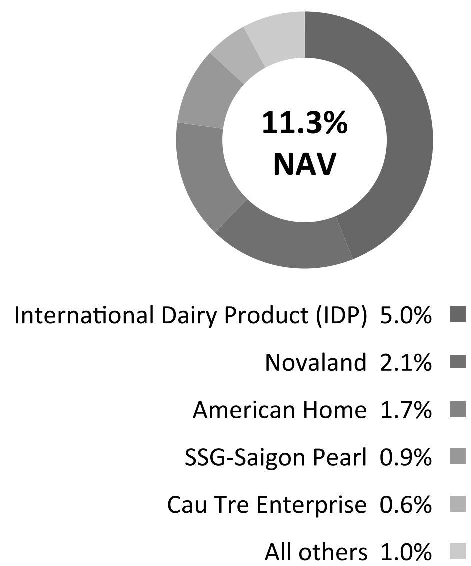

Figure 8: Private equity holdings, 11.4% of total portfolio as at 30 June 2015.

Similar to our OTC traded portfolio, the companies in our private equity portfolio on average have experienced strong growth in sales and profit, such as IDP where sales grew by 69% in Q1 2015. Overall, in USD terms, the private equity segment of the portfolio contributed 4.0 cents to NAV per share.

Real estate

Sector overview

The VND devaluation potentially creates upward pressure on interest rates. Nevertheless, credit to the sector has begun to expand again after several years of contraction. However, the impact on the real estate market is expected to be modest, especially as the property market is largely fuelled by domestic demand and dominated by domestic supply from local developers. Policy initiatives like the relaxation of the foreign ownership regulations and subsidized credit for the real estate sector are also helping to expand the real estate demand pool as investors rotate away from gold and bank deposits back into real estate. Developers which have survived the downturn have emerged stronger and more innovative, having reconfigured their capital structures and end-product offerings to harness evolving consumer tastes, thereby further stimulating demand.

Optimism created by the new Housing Law and Real Estate Business Law, both effective 1 July 2015, as well as a greater availability of mortgages, resulted in a new wave of condominium supply to the market. Although it remains to be seen whether the market can absorb all of the new condominium units, the passage of these two laws has established a transparent legal framework to help protect home buyers, and increase the confidence of foreign investors (corporate and private) when purchasing residential properties in Vietnam. As a result, the apartment market will become more competitive as it seeks to absorb all of the new supply from these launches.

Condominium sector

The condominium market has seen an improvement over the last twelve months with more launches and transactions, especially in the high-end and mid-end property segments. Developers like Novaland and KDH have successfully launched several large-scale projects that have attracted strong sales to local investors. Projects like Novaland's Lexington Residences in District 2 of Ho Chi Minh City, launched in 2014, have almost completely sold all their 1,500 units, while phase 2 of Novaland's high-end Tropic Gardens project, again in District 2, saw long queues to buy up the 400+ units on the opening weekend of the project's launch in late 2014. According to CBRE Vietnam, numerous condominium projects were launched in the first half of 2015, specifically 36 projects comprising 13,678 units in Ho Chi Minh City and 37 projects with 10,017 units in Hanoi. The number of new condominiums launched in Ho Chi Minh City and Hanoi rose by 170% and 90% year-on-year respectively. The average selling price of all

Figure 9: Novaland's Sunrise Central development, District 7, Ho Chi Minh City.

segments increased between 5% and 10% year-on-year in both Ho Chi Minh City and Hanoi. However, in the first half of 2015, the absorption rate of Ho Chi Minh City was estimated to be 73% while Hanoi's rate was at 45%. There is no future supply located in the city centre due to limited supply of development sites and permission to build residential projects is also difficult to obtain. Therefore, future supply will be in non-CBD (non-Central Business District) areas and located along the metro lines which will attract more buyers and investors.

Landed property sector
The landed property market continues to demonstrate improvements with new project launches, helped by changes in sales strategies from existing developers such as protracted repayment plans and additional amenities. According to Savills, the number of transactions increased by 5% to 15% year-on-year, both in Ho Chi Minh City and Hanoi. A large portion of recent buyers are end-users who are interested in locations with improving infrastructure, the landscape, available amenities, in near completed projects or projects developed by high profile developers. Projects in Da Nang and Nha Trang have experienced improved sales volumes over the last four quarters, and this trend is expected to continue. There has been a notable increase in the number villas with prices from USD250,000 – USD900,000 per unit, as against those priced at over USD1,000,000. This demonstrates that developers are now focusing on a wider customer base where budgets for second/third homes are lower.

Market outlook
A tentative recovery is underway in Vietnam's real estate sector. However, oversupply in the condominium market may cause some instability and low occupancy rates in the rental apartment market. Moreover, difficulties in implementing new regulations and a lack of subsequent legal documents clarifying relevant procedures of these new regulations will pose a challenge for both developers and buyers.

To ensure a sustainable recovery will require developers to follow a disciplined strategy concerning their investment horizon and risk management, while continually selecting the right product to meet an ever more discerning domestic buyer. Developers with access to sites near key infrastructure projects, particularly along corridors where rail transit systems are being built in Hanoi and Ho Chi Minh City, and where major road and highway projects have been completed, will stand to benefit the most. Likewise, we are also seeing this benefit the construction materials sector, which has grown 9% year-on-year as at June 2015. With top-line growth showing signs of improvement, we are expecting property companies to raise capital to take advantage of current market conditions. Novaland has already raised capital from investors including VOF, while KDH, a top 10 holding in VOF's portfolio, is also expected to tap the public equity market to raise capital in order to acquire new projects.

With this backdrop of improving market conditions, VOF should find exit opportunities for its real estate development projects becoming increasingly attractive. Efforts continue to reduce our exposure to development risk through the divestment of several large projects in this portfolio, but progress has been slow and protracted mostly because of the lack of credit available until recently to domestic buyers and caution on the part of foreign participants. While we have negotiations across several projects at various stages of progress, as of this report, we are unable to announce any specific project divestments but will do so as they materialise, with the desire to reduce our overall exposure to real estate development risk to below 10% over the coming year.

Hospitality sector

The hospitality sector remains subdued, as the impact from a free-falling rouble has meant that Russian tourist numbers are down for the year. Furthermore, the fall-out from last May's incursion by Chinese maritime vessels into disputed waters off Vietnam's central coast and the subsequent posturing by the two governments and their citizens has meant that the number of Chinese visitors to Vietnam are down, particularly to the central region where gaming and golfing activities are key attractions. Overall, according to government statistics, as at October 2015 visitor numbers to Vietnam have increased by 16.1% year-on-year. However, with a lower rate of currency devaluation compared to regional peers like Thailand and Indonesia, growth in the hospitality sector has been concentrated around the segment that caters to the executive and professional business traveller, rather than the budget and leisure segment.

The Sofitel Metropole Hanoi remains a popular destination for executive and professional business travellers, foreign dignitaries, and the more discerning tourist, given its consistent high standards and proximity to Hanoi's city centre. There are still no immediate competitors to the Sofitel Metropole in the inner city area and, as such, it still enjoys high rates of occupancy and stable average room rates. Performance is in line with last year across these two measures, a commendable result given the impacts to the market discussed above. Net operating income for the first half of this calendar year is slightly lower than the same period last year, but management is confident that performance for calendar year 2015 will improve and exceed that of the prior year.

Asset class performance

The direct real estate portfolio underperformed, negatively impacted largely by write-downs as a result of an independent valuation that was carried out by KPMG based on fair-value methodologies under IFRS10A accounting standards. The net adjustments from this valuation exercise resulted in a write-down of USD10.0 million to the direct real estate portfolio over the financial year. With regard to the operating assets portfolio, which for portfolio monitoring purposes includes the Sofitel Legend Metropole and the Hung Vuong Plaza, the net adjustment was a write-up of USD11.0 million, primarily due to the adoption of the IFRS10A accounting rules this financial year. Overall, in USD terms, the real estate asset class including operating assets contributed a loss of 3.4 US cents to NAV per share.

Divestment activities under the direct real estate and operating assets portfolio over the financial year have been limited, with a partial divestment of Phase 1 of the World Trade Centre (Riverview project) at cost, and the full divestment of the Movenpick Hanoi Hotel booked early in the financial year, resulting in a small uplift to NAV at the time of exit. As mentioned earlier, our focus for the direct real estate portfolio remains on realising several large development projects over the coming year into a market that appears to be recovering, by garnering interest from both domestic and international investors.

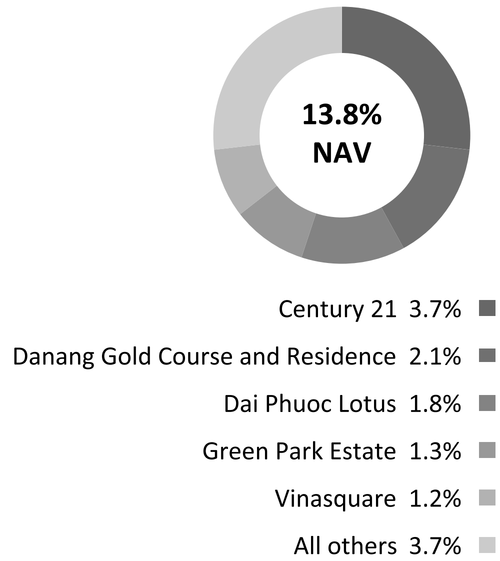

Figure 10: Direct real estate, 13.8% of total portfolio as at 30 June 2015

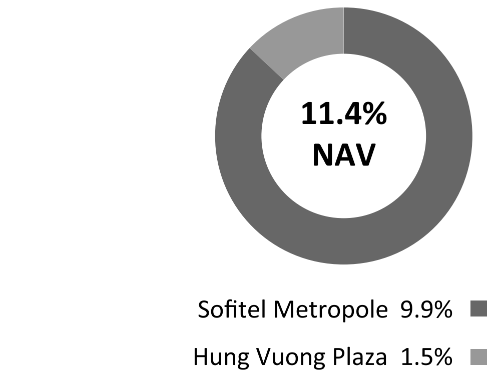

Figure 11: Operating assets, 11.4% of total portfolio as at 30 June 2015.

Share buyback programme

During the year VOF spent USD47.3 million to buy back 18.3 million shares at an average price of USD2.59 per share. In comparison, last financial year the Fund spent USD52.3 million to buy back 23.1 million shares. The share buyback added 5.0 US cents to the NAV per share over this financial year.

VOF's share price appears highly correlated to the often volatile VN Index, and as such the buyback programme has provided some price stability in times of market volatility. For example, during the fourth quarter of 2014, the VN Index declined from its peak of 640 points in September 2014 to 518 points in December 2014. Over this period, the level of buyback activity accelerated in order to assure the market that the widening discount level was not an accurate reflection of the quality, resilience and valuation of the underlying portfolio. The discount subsequently contracted to below 20% for a short period of time late in the quarter, after temporarily widening to close to 30% during the period of market volatility. After the financial year end, the share price and corresponding discount to NAV per share suffered a temporary widening above historical levels as the local and global markets experienced extreme volatility as a result of concerns over China's slowdown in growth and the unprecedented devaluation of the Chinese Yuan, prompting a general sell-off in emerging and frontier markets. However, VOF's share price and NAV per share have recovered as we have seen natural buyers, including institutional and value investors, who seek to increase their off-index allocation to Vietnam, select VOF shares as a natural proxy.

Looking ahead – a brighter outlook

Looking forward, below are some of the opportunities and challenges facing VOF's asset classes as discussed below.

Capital markets

From a macroeconomic perspective, GDP is growing at an annual rate of 6.5% to 6.8%, led by rising manufacturing output and strong performance in the construction materials and real estate sectors. We are also seeing a strong domestic recovery as retail consumption growth for the first half of 2015 reached 10%, and over 8% in real terms, fuelled by rising incomes, improving consumer confidence and low inflation thanks to low oil prices.

On the subject of inflation, China's subdued growth has contributed quite significantly to lower inflation in Vietnam. As mentioned, Vietnam is experiencing more imports at lower prices from China's manufacturers as they struggle to keep utilization rates and employment steady. At the same time, the lower demand has led to lower commodity prices, an important factor considering that commodities make up a large component of Vietnam's CPI. Vietnam's inflation rate for the first 10 months of 2015 to October is 0.5% year-to-date, and 0.0% year-on-year. Our Chief Economist expects full year inflation to be less than 1.5%.

VOF share buyback activity and discount

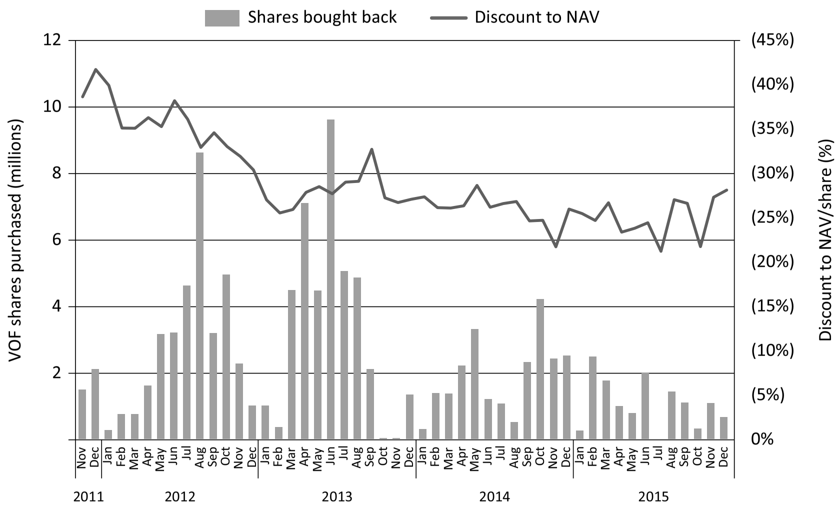

Figure 12: VOF number of shares bought back (millions) and discount to NAV per share (%) since the commencement of the buyback programme, November 2011 to December 2015.

VOF share price and NAV per share

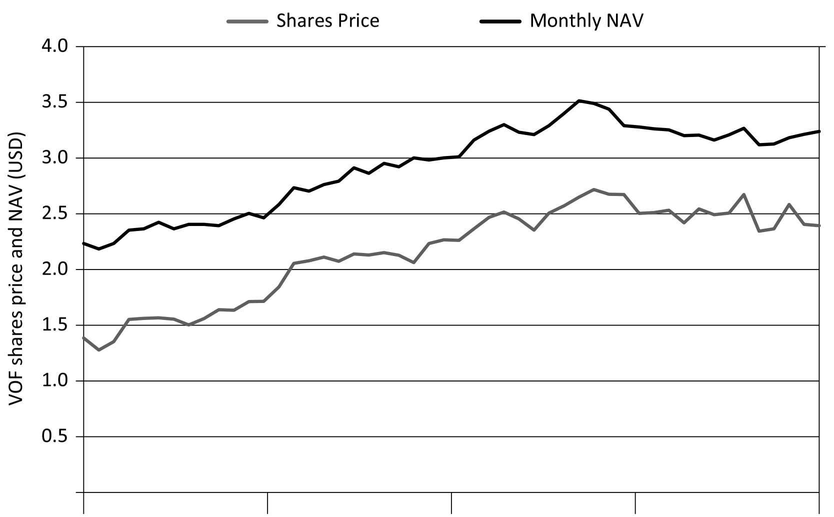

Figure 13: VOF share price (USD) and NAV per share (USD), November 2011 to December 2015.

It is our belief that stronger growth in retail spending, in particular consumer spending on fast moving consumer goods and lower commodity or input prices, will bode well for VOF's investment in both listed and unlisted consumer oriented sectors with companies such as VNM, QNS (OTC traded security) and IDP standing to benefit the most.

We also believe that the recovery in the real estate sector is sustainable in the medium term and, as such, holdings in the listed portfolio such as HPG who supply the steel needed for construction activities should do well. Additionally, as described above, HPG has recently increased its profit target by 40% for 2015. Although the share price has caught up somewhat, it is still trading at a 2015 PE of 8x, compared to 12x on average for the market and 11x for VOF's listed portfolio.

Furthermore, at the end of June the government issued Decree 60, a piece of legislation that allows companies listed on the stock market to be purchased up to 100% by foreign investors with the exception of some stocks in sensitive sectors (such as banking and defence). We see this as a game changer and, in conjunction with other improvements such as shorter settlement, could qualify Vietnam for emerging market status in global indices in the not too distant future.

OTC trade securities and privatisation
On the OTC side, VOF will take part in the privatisation process with target companies that fit VOF's investment criteria. With a healthier stock market and the Government running a budget deficit of close to 6% of GDP we anticipate a better IPO pipeline in the coming year. However, given the slow pace of privatisation and our selectiveness, VOF may only seriously consider a handful of companies. Meanwhile, VOF will also continue to review the existing OTC traded securities available in the market for opportunities to invest.

Private Equity
Turning to private equity opportunities, we aim to increase exposure by reinvesting some of the expected proceeds from the sale of direct real estate projects into private equity-type deals. VOF has a large pipeline of potential investments and is actively looking at sectors that benefit from rising disposable income and domestic consumption such as food and beverage companies, education and healthcare opportunities. For companies such as IDP, in which VOF has already invested, sales growth has continued to be strong and the focus is to build up the brand and increase distribution in order to be able to exit when the company achieves a significant market share. Given that many private businesses' valuations are now comparable to public market valuations, VOF's focus is to find companies that can demonstrate structural growth and deals that allow the Company to negotiate in such a way as to limit our downside risk or to pay a premium valuation multiple only when certain profit commitments are achieved. VOF's challenge going forward is to find suitable investments which are expected to generate at least 20-25% IRR to maintain our consistent track-record of over 20% IRR on past private equity investments.

Real estate
Finally, we understand that development risk through direct real estate exposure may create an unnecessary drag on our discount to NAV per share. We therefore are planning the divestment of a number of large, controlled direct real estate projects, and expect to participate in the sale of certain projects where VOF is co-invested with Vinaland (VNL) which is also undertaking a realisation strategy. Over the coming months we hope to be in a better position to allow us to share with shareholders the progress and completion of these divestments.

Widening budget deficit is a concern

There remains concern that the large and growing budget deficit will lead to additional and more aggressive issuance of debt by the Government which could lead to a rising cost of funding and higher bond yields. This crowding out effect will make it harder for local businesses to borrow and compete for funding. This is especially disadvantageous given that Vietnam is highly dependent on FDI from multinationals which have access to much a lower cost of funding, and could soften the bottom-line of domestic businesses relative to multinationals operating in Vietnam and cause domestic businesses to become less competitive.

However, the differential cost of funding is also leading to more acquisitions by multinationals in Vietnam and VOF stands to benefit if it exits some of its holdings to strategic acquirers.

As well as continued currency volatility

On the subject of currencies, as described above, the VND has devalued by nearly 5% versus the USD as at September 2015 and our projection is for further weakness as Vietnam needs to regain export competiveness against other countries whose currencies have depreciated by a larger amount and potentially as a result of the US Government increasing the Federal Funds Rate at some point. As many companies in Vietnam rely on imports that are USD based, devaluation could have a harmful effect on corporate profits. We have run some sensitivity analyses on the companies in our portfolio and estimate that a small devaluation in the range of 1-2% does not have a material impact on the companies' earnings but larger devaluations are harder to judge. Some leading companies with strong market shares may be able to pass on the price increases, but others may not and this could impact the portfolio negatively. On the flipside of the coin, those companies which add value domestically and export will benefit from these conditions.

Conclusion – several catalysts point to an overall upward market re-rating

Despite the concerns described above, we remain positive on the prospects for Vietnam and its stock market due to the prospects for a strong economy, the recent relaxation of foreign ownership limits and most importantly valuation as the market is trading at an estimated 2015 P/E ratio of 14.8x versus the region's average of 16.6x according to Bloomberg. With a domestic and real estate recovery, we see potential for earnings growth in the 10-15% range which should support upside in valuation before any market re-rating in terms of PE expansion.

Our optimism is further reinforced by Vietnam's increased participation in international free trade agreements (FTAs). Of note, Vietnam is a part of the 12-nation Trans Pacific Partnership (TPP), a deal which encompasses 40% of the world's economy and 30% of global trade. TPP joins a growing list of FTAs involving Vietnam, including recently finalized agreements with Korea, the European Union and Russia-Belarus. Vietnam is set to benefit tremendously from TPP and the collection of other FTAs as lowered tariffs will stimulate exports and cheaper imports will promote competitiveness among domestic firms. Overall, it is reasonable to project that TPP alone will drive GDP growth to the tune of 1-2% per annum, and will have sweeping effects across the country's financial markets.

In all, it has been an eventful year for VOF and Vietnam, with numerous signs of promise on the horizon.

INVESTMENT MANAGER'S REPORT:

TOP TEN HOLDINGS

	Top 10 holdings	Asset Class	Sector	Description	NAV[1] (USD million)	% of NAV
1	Vinamilk (VNM)	Listed equities	Food & beverage	Leading dairy company with dominant market share	78.0	10.9
2	Sofitel Legend Metropole Hotel Hanoi	Operating assets	Hospitality	Internationally recognised premium city hotel	71.3	9.9
3	Hoa Phat Group (HPG)	Listed equities	Construction materials	Largest steel manufacturer in Vietnam	56.6	7.9
4	Eximbank	Listed equities	Financial services	One of Vietnam's top 10 commercial banks	36.4	5.1
5	International Dairy Products (IDP)	Private equity	Food & beverage	One of the fastest growing dairy companies in Vietnam	35.7	5.0
6	PetroVietnam Technical Services Corporation (PVS)	Listed equities	Mining, oil & gas	Leading oil and gas technical services provider in Vietnam	30.8	4.3
7	PetroVietnam Drilling and Well Services (PVD)	Listed equities	Mining, oil & gas	Leading drilling contractor in Vietnam and South East Asia	27.1	3.8
8	Century 21	Direct real estate	Real estate	HCM City residential development project	26.6	3.7
9	Khang Dien Housing (KDH)	Listed equities	Real estate	Leading property developer with large land plots located in District 9, HCM City	26.1	3.6
10	Hau Giang Pharmaceuticals (DHG)	Listed equities	Pharmaceuticals	Largest domestic pharmaceuticals producer in Vietnam	21.4	3.0
	Total				**410.0**	**57.2**

[1] As of 30 June 2015.

Vinamilk (VNM) – Listed equities, NAV USD78.0 million
Vinamilk (VNM) is the leading dairy manufacturer and distributor in Vietnam. The company offers a wide range of products including liquid, powdered and condensed milk, as well as yogurt and fruit juice. The company still retains its No.1 position in liquid milk with 53% market share, in addition to a 26% market share in powdered milk, 90% in yogurt and 75% in condensed milk.

VNM reported 1H2015 sales of USD898 million and a net profit of USD175 million, increases of 13.3% and 26% year-on-year respectively. While gross profit increased by 41% due to a significantly lower skim milk input price (-39% yoy as of Q2 2015), operating profit growth rate was lower at 23% given increased spending on advertising (+105%) and commission (+257%).

VNM closed at VND114,000 per share as at 30 Jun 2015 (unadjusted for a 20% share bonus in August), representing a market capitalization of USD5.3 billion and a trailing P/E of 16.9x. As at 30 June 2015, VOF's stake in VNM was valued at USD85 million.

Financial highlights

Profit and loss (VND bn)	**FY13A**	**FY14A**	**1H 2014**	**1H 2015**
Net revenue	30,949	34,977	16,958	19,216
Net profit	6,534	6,068	2,971	3,746
Net margin (%)	21	17	18	19
EPS (annualised, adjusted) (VND)	4,903	4,555	5,342	6,738
Balance sheet (VND bn)				
Total assets	22,875	25,770	23,734	27,224
Shareholders' equity	17,545	19,680	18,552	21,059
ROE (%)	37	31	32	36
Valuation				
PER (x)	17.2	15.7		16.9
P/B (x)	6.3	4.9		5.4
Dividend yield (%)	3.7	4.2		3.5

Sofitel Legend Metropole Hanoi Hotel – Operating assets, NAV USD71.3 million
The Sofitel Legend Metropole Hanoi Hotel, surrounded by various historical monuments and museums, is located on 7,500 square meters of prime real estate in the centre of Hanoi. It is considered one of the top five-star hotels in the city with the nearest comparable hotel, a newly built Lotte Hotel, being more than 5 kilometers outside of the historical city center. The hotel, managed by Accor Group, boasts 364 rooms with over 27,000 square meters of gross floor area.

For the first half of 2015, the hotel's average occupancy rate was 65.0% with revenue of USD17.8 million and a gross operating profit of USD9.6 million. Declines in tourist arrivals to Vietnam and a reduction in spending in the leisure market led to lower than optimal occupancy rates but management is confident they can rebound from a challenging first half to achieve their annual targets.

Management expects the financial results to improve for 2015, with a target of USD38.8 million in revenue and USD20.6 million in gross operating profit, growth of 4.5% and 2.5% compared to 2014, respectively.

Financial highlights

Profit and loss (USD mn)	FY13A	FY14A	1H 2014	1H 2015
Revenue	37.6	37.1	18.5	17.8
Gross profit	20.2	20.1	10.0	9.6
Gross margin (%)	53.7	54.2	54.1	53.9
Net income	9.7	9.6	4.8	4.9
Net margin (%)	25.8	25.9	25.9	27.5
Balance sheet				
Total assets	46.1	42.6	46.5	40.3
Shareholders' equity	38.0	29.8	37.2	34.7
ROE (%)	25.5	32.2	12.9	14.1

Hoa Phat Group (HPG) – Listed equities, NAV USD56.6 million

Hoa Phat Group (HPG) is the largest steel company in Vietnam with 21% market share. Established in 1992 as a trading company, HPG has evolved into a holding group with thirteen subsidiaries specializing in construction materials such as steel, steel pipe, furniture, refrigerators, construction and mining equipment, real estate and industrial park operations. HPG has a well established nationwide distribution and sales network, with a strong platform for future product expansion and diversification.

HPG announced results for 1H2015, with revenue of VND13.5 trillion (+2.3% year-on-year) and a net profit of VND1.9 trillion (+1.4% year-on-year). Excluding real estate assets, the company's core revenue increased by 25% year-on-year while core net profit increased by 24% year-on-year. For 2015, we estimate that HPG can achieve net profit of VND3.5 trillion with a proposed dividend of VND3,000 per share, implying a dividend yield of 10%.

As of 30 June 2015, HPG closed at VND29,000 per share, equivalent to a trailing P/E of 6.1x and P/B of 1.6x. VOF's stake in HPG was valued at USD56.6 million as at 30 June 2015.

Financial highlights

Profit and loss (VND bn)	**FY13A**	**FY14A**	**1H 2014**	**1H 2015**
Revenue	18,934	25,525	13,197	13,486
Net income	1,954	3,144	1,874	1,902
Net margin (%)	10.3	12.3	14.2	14.1
EPS (annualised, adjusted) (VND)	2,666	4,289	4,289	4,775
Balance sheet				
Total assets	23,076	22,089	20,350	22,968
Shareholders' equity	9,500	11,796	10,618	13,242
ROE (%)	20.6	26.7	29.6	26.4
Valuation (VND bn)				
PER (x)	10.88	6.76	6.76	6.07
P/B (x)	2.24	1.80	2.00	1.61
Dividend yield (%)	5	3	10	10

Eximbank (EIB) – Listed equities, NAV USD36.4 million

Eximbank (EIB) is the eighth largest lender in the Vietnamese banking system with a loan book of VND89 trillion, representing 2% of the country's total credit. EIB mainly focuses on corporate customers who account for 65% of the company's loan book and 37% of deposits.

Operational results in the first half of 2015 were modest with a 2% increase in total income and a 14% decline in net profit, mainly due to rising staff costs. The total loan book declined by 5% in the first 6 months, lower than the sector credit growth of 6% as the bank was more conservative in regards to new loans. Their non-performing loan ratio was at 2.1% as of 30 June and by the end of June, EIB had sold VND5.6 trillion of bad debts to VAMC, or 6.3% of its loan book and 3.5% of total bad debts purchased by VAMC.

As of 30 June 2015, EIB closed at VND13,000 per share, equivalent to a P/B ratio of 1.1. VOF's stake in EIB was valued at USD36.4 million as at 30 June 2015.

Financial highlights

Profit and loss (VND bn)	**FY13A**	**FY14A**	**H1 2014**	**H1 2015**
Net interest income	2,736	2,710	1,589	1,553
Total income	3,249	2,942	1,776	1,808
Net profit	658	56	515	442
EPS (annualised, adjusted) (VND)	532	45	834	719
Balance sheet (VND bn)				
Total assets	169,835	161,093	132,045	130,158
Shareholders' equity	14,680	14,068	14,574	14,486
ROE (%)	4.5	0.4	3.5	3.0
Valuation				
PER (x)	23	282	15.8	18.1
P/B (x)	1.0	1.1	1.1	1.1
Dividend yield (%)	3.3	–	–	–

International Dairy Products (IDP) – Private equity, NAV USD35.7 million
International Dairy Products (IDP) was established in 2004 with its first factory in Chuong My – Hanoi. In 2010 and 2013, IDP launched its second and third factories in Ba Vi and Cu Chi (HCMC), two of the largest fresh milk production hubs of Vietnam. IDP specializes in producing and selling UHT and pasteurized fresh milk, spoon and drinking yogurt and nutritional products related to milk, using the latest technology from Europe to offer the best-quality dairy products to Vietnamese customers. Currently, IDP is cooperating with over 2,000 farmers, collecting more than 75 tonnes of fresh milk per day for production. Key brands are Love'in Farm, Love'in Ba Vi, and Love'in Farm KUN.

For the first 6 months of 2015, IDP reported a top-line growth of ~41% compared to the same period last year, which is estimated to be the highest growth among dairy producing peers due to the success of its KUN brand. IDP expects to continue to achieve ~30-40% in revenue growth for full year 2015, with long-term growth reaching 25.0% per annum thereafter.

Financial highlights

Profit and loss (USD mn)	FY13A	FY14A	Q1 2014	Q1 2015
Revenue	47.8	76.5	29.0	40.81
Net income	(0.4)	(1.7)	0.2	(0)
Net margin %	n/a	n/a	1	n/a
Balance sheet				
Total assets	37.4	47.7	43.9	45.6
Shareholders' equity	10.5	18.8	10.9	7.4
ROE (%)	n/a	n/a	n/a	n/a

PetroVietnam Technical Services Corporation (PVS) – Listed equities, NAV USD30.8 million
PetroVietnam Technical Services Corporation (PVS) is a leading oil and gas services company in Vietnam with parent company PetroVietnam owning a 51% stake. The company owns and operates five main services, including ships servicing offshore operations, floating production storage and offloading (FPSO) vessels, port, seismic survey, construction (oil platform) and maintenance service offshore platform and vessels.

For Q2 2015, PVS announced consolidated results with revenue of VND12.5 trillion (-7% year-on-year) and profit after tax of VND0.9 trillion (+11% year-on-year), thanks to contributions from the new Lam Son FPSO and the recognition of big projects such as Maharaja, White Rhino H5, and White Lion. The supply base and port services achieved 15% sales growth thanks to bustling trade activities as well as higher put-thru volume from projects like Nghi Son Refinery and Dung Quat Refinery.

As at 30 June 2015, PVS closed at VND26,900 per share, implying a trailing P/E ratio of 6.3x and P/B ratio of 1.3x.

Financial highlights

Profit and loss (VND bn)	**FY13A**	**FY14A**	**1H 2014**	**1H 2015**
Net revenue	25.5	31.5	13.4	12.5
Net profit	1.6	1.8	0.9	0.9
Net margin (%)	6.2	5.8	5.9	7.0
EPS (annualised, adjusted) (VND)	3.5	4.1	1.8	2.0
Balance sheet (VND bn)				
Total assets	14.9	15.7	16.6	16.9
Shareholders' equity	8.3	9.4	8.3	9.5
ROE (%)	19.1	19.4	19.1	19.4
Valuation				
PER (x)	7.6	6.6	6.5	6.3
P/B (x)	1.5	1.3	1.4	1.3
Dividend yield (%)	4.5	4.5	4.5	4.5

PetroVietnam Drilling (PVD) – Listed equities, NAV USD27.1 million
PetroVietnam Drilling (PVD) is a leading Vietnamese drilling-related services company with parent company PetroVietnam owning a 51% stake. The company owns and operates five drilling rigs including three jack-up rigs, one tender assist drilling rig (TAD), and one land rig in addition to its leased jack-up fleet.

In 1H2015, PVD posted VND8.3 trillion in revenue, a decrease of 17% year-on-year and VND1 trillion in net profits, a decline of 25% year-on-year, due to lower rig day-rates and lower demand for technical services. The rig day-rate declined by 10% year-on-year due to lower crude oil prices in 1H2015. However, the decline was partially offset by one new jack-up rig in March. As a result, the net profit margin declined to 12.3% in 1H2015 from 14.2% in 1H2014.

As at 30 June 2015, PVD closed at VND52,500 per share, implying a trailing P/E ratio of 8.7x and P/B ratio of 1.5x.

Financial highlights

Profit and loss (VND bn)	**FY13A**	**FY14A**	**1H 2014**	**1H 2015**
Net revenue	14.9	20.9	9.9	8.3
Net profit	1.9	2.4	1.4	1.0
Net margin (%)	12.7	11.7	14.2	12.3
EPS (annualised, adjusted) (VND)	5.4	7.0	4.9	2.9
Balance sheet (VND bn)				
Total assets	17.0	17.8	16.6	21.6
Shareholders' equity	9.9	11.5	11.1	12.6
ROE (%)	19.1	21.3	25.5	16.1
Valuation				
PER (x)	9.7	7.5	6.7	8.7
P/B (x)	1.9	1.6	1.6	1.5
Dividend yield (%)	1.9	3.8	2.9	2.9

Century 21 – Direct real estate, NAV USD26.6 million

Century 21 was acquired in 2006 because of its prime location near a new traffic corridor to the city's central business district (CBD). The Thu Thiem tunnel, part of the Ho Chi Minh City East-West Highway, opened in November 2011 and has given the site increased access to the city's CBD. The project site is 100% compensated and cleared, and in Q4 2011 the Century 21 Nam Rach Chiec project received a 1:500 master plan approval and investment licence. The revised 1:500 master plan in-principal approval was received in Q2 2014 and the detailed 1:500 master plan approval was received in Q3 2014. In a recent development, the Long Thanh Dau Giay Highway, a major access point running along the front of the site, has been completed and is now open to the public.

VOF and VinaLand Limited (VNL) are in discussions with a potential investor for divestment of the site. The surrounding District 2 area has seen improvements to infrastructure, sparking interest among domestic and foreign investors.

Project summary

Sector	Residential
Area	30ha
Location	Dist 2, HCMC
History	Co-invested between the two funds (VOF/VNL) with split ratio of 75/25 (VNL/VOF).
	1:500 master plan approval and investment licence are in place.
	Land use fee is being finalised with local government.
Investment rationale	Large land bank strategically located at a corridor to the city's central business district.

Khang Dien Housing (KDH) – Listed equities, USD26.1 million

Khang Dien Housing (KDH) is one of the leading property developers in Vietnam, particularly in the Ho Chi Minh City market, specializing in landed properties in District 2 and District 9. KDH is one of the few listed developers focusing on affordable town houses, which is a less competitive market than condominiums. The company has benefited from a real estate market recovery and currently owns large land plots that were acquired at low prices and are located near major current and future infrastructure projects in the city.

KDH announced that 1H2015 revenue reached USD21.4 million with a net profit of USD4.5 million, increases of 487% and 149% year-on-year, respectively. These results are indicative of the improvement in Vietnam's real estate market as KDH's growth was primarily derived from successful sales of its Mega Residence and Mega Ruby projects. In January 2015, KDH issued 48.5 million shares via private placement to a select group of existing shareholders, including VOF which received an additional 11.5 million shares.

As at 30 June 2015, KDH closed at VND21,500 per share, implying a trailing P/E ratio of 16.6x, and P/B ratio of 1.1x. VOF's stake in KDH was valued at USD26.8 million as at 30 June 2015.

Financial highlights

Profit and loss (VND bn)	**FY13A**	**FY14A**	**1H 2014**	**1H 2015**
Net revenue	112	621	82	482
Net profit	(125)	102	41	102
Net margin (%)	(112)	16	50	21
EPS (annualised, adjusted) (VND)	2.33	1.36	1.36	1.98
Balance sheet (VND bn)				
Total assets	1,558	2,873	2479	3,893
Shareholders' equity	966	1,498	1437	2,450
ROE (%)	(13)	7	3	4
Valuation				
PER (x)				10.8
P/B (x)				1.1
Dividend yield (%)				4

Hau Giang Pharmaceutical (DHG) – Listed equities, NAV USD21.4 million
Hau Giang Pharmaceutical (DHG) is one of the leading domestic pharmaceutical manufacturers in Vietnam. DHG's in-house products accounted for 80% of total revenue in 1H2015. The company's new non-betalactam factory went online in 2015, enabling DHG to expand by doubling total capacity to eight billion units.

Total net sales in 1H2015 were USD67 million, up by 3% year-on-year, driven by 124% growth in revenue from trading as opposed to manufacturing. Sales of in-house products fell by 10% due to high inventories in the OTC market and declining selling price in the hospital channel. Despite a lower corporate income tax rate for the new factory, net profit declined by 4% as it experienced increased overheads.

DHG closed at VND73,500 per share as at 30 June 2015, representing a market capitalization of USD293 million and a trailing P/E ratio of 12.3. VOF's stake in DHG was valued at USD21.1 million as at 30 June 2015.

Financial highlights

Profit and loss (VND bn)	**FY13A**	**FY14A**	**1H2014**	**1H2015**
Revenue	3,391	3,913	1,693	1,468
Net income	589	533	271	261
Net margin (%)	17	14	16	18
EPS (annualised, adjusted) (VND)	6,764	6,118	3,108	2,989
Balance sheet (VND bn)				
Total assets	3,081	3,483	3,134	3,060
Shareholders' equity	1,981	2,277	2,028	2,206
ROE (%)	32	25	14	12
Valuation (VND bn)				
PER (x)	10.9	12.0	10.3	12.3
P/B (x)	3.2	2.8	3.2	2.9
Dividend yield (%)	4	4	–	4

VINACAPITAL MANAGEMENT TEAM

Don Lam
Chief Executive Officer

Don Lam, a founding partner of VinaCapital, has more than 20 years of experience in Vietnam. He has overseen VinaCapital's growth from manager of a single USD10 million fund in 2003 into a leading investment management and real estate development firm in Southeast Asia, with a diversified portfolio of USD1.5 billion in assets under management. Before founding VinaCapital, Mr Lam was a partner at PricewaterhouseCoopers (Vietnam), where he led the corporate finance and management consulting practices throughout the Indochina region. Additionally, Mr Lam set up the VinaCapital Foundation whose mission is to empower the children and youth of Vietnam by providing opportunities for growth through health and education projects. He also is the Vice-Chairman, Global Agenda Council on ASEAN for the World Economic Forum. He has a degree in Commerce and Political Science from the University of Toronto, and is a member of the Institute of Chartered Accountants of Canada. He is a Certified Public Accountant and holds a Securities License in Vietnam.

Brook Taylor
Chief Operating Officer

Brook Taylor has more than 20 years of management experience, including eight years as a senior partner with major accounting firms. Previously, Brook was deputy managing partner of Deloitte in Vietnam and head of the firm's audit practice. He was also managing partner of Arthur Andersen Vietnam and a senior audit partner at KPMG. Brook has lived and worked in Vietnam since 1997. Brook's expertise spans a broad range of management and finance areas including accounting, business planning, audit, corporate finance, taxation, and IT systems risk management. He holds an MBA from INSEAD, a B.A. in Commerce and Administration from Victoria University of Wellington, New Zealand, and is a member of the New Zealand Institute of Chartered Accountants.

Andy Ho
Managing Director and Chief Investment Officer

Andy Ho is Managing Director and Chief Investment Officer of VinaCapital, where he oversees the capital markets, private equity, fixed income and venture capital investment teams. Previously, Mr Ho was Director of Investment at Prudential Vietnam's fund management company, where he managed the capital markets portfolio and Prudential's bank investment strategy. He has also held management positions at Dell Ventures (the investment group of Dell Computer Corporation) and Ernst & Young. Mr Ho is a leading authority on capital markets investment, privatisations, and private equity deals and structures in Vietnam, where he has led private placement deals totalling over USD700 million. He holds an MBA from the Massachusetts Institute of Technology and is a Certified Public Accountant in the United States.

Dang Pham Minh Loan
Deputy Managing Director

Loan Dang joined VinaCapital in August 2005 and is responsible for VOF's private equity investments. Ms Dang has led numerous private equity and private placement deals for VOF, and holds board positions at several VOF investee companies. Ms Dang has previous experience at KPMG Vietnam and Unilever Vietnam. She has an MBA from the University of Hawaii and holds an FCCA (UK) fellow membership and a BA in Finance and Accounting from the University of Economics, Ho Chi Minh City.

Duong Vuong
Deputy Managing Director

Duong Vuong is responsible for VOF's capital market investments.
Mr Vuong has 20 years of investment experience including the last 8 years in Vietnam. Previously, Mr Vuong was a Research Head at PXP Vietnam Asset Management where he managed a team of analysts responsible for producing investment ideas for all of the firm's portfolios. Prior to working in Vietnam, he held various positions including Senior Investment Analyst for ADIA in Abu Dhabi and Banks Analyst for Merrill Lynch in London. He is a CFA charter holder having gained the CFA designation in 2001

SECTION 3

BOARD OF DIRECTORS

Steven Bates
Non-executive Chairman (Independent)

Steve Bates is a veteran investor in emerging markets, spending most of his career with the Fleming Group and its successor JP Morgan Asset Management, where he led the emerging markets team. Over the past 10 years Mr Bates has continued to manage investments across the emerging world working for Zephyr Management and has added a number of non-executive roles in investment companies.

Martin Adams
Non-executive Director (Independent)

Martin Adams has over 30 years investment and banking experience in emerging markets, including over 20 years in Vietnam, and has forged a career serving as an independent director on listed and unlisted funds. He is currently chairman of Eastern European Property Fund, Kubera Cross Border Fund, Trading Emissions and Trinity Capital, and a non-executive director of a number of other funds.

Michael Gray
Non-executive Director (Independent)

Michael G. Gray has over 30 years' professional accounting experience and trained as a chartered accountant with Coopers & Lybrand in the UK. He was admitted as a member to the Institute of Chartered Accountants of England and Wales (FCA) in 1976. Prior to his accounting career, Mr Gray spent 10 years in the shipping industry. Apart from being a FCA, Mr Gray has a Bachelor of Science Degree in Maritime Studies from Plymouth University, a Masters of Arts in South East Asian Studies from the National University of Singapore and Doctor of Business (Honoris Causa) from the University of Newcastle in Australia. He is also a Fellow of the Chartered Institute of Logistics and Transport, a Fellow of the Institute of Singapore Chartered Accountants and a Fellow of the Singapore Institute of Directors. Mr Gray was a partner in PricewaterhouseCoopers Singapore and was the founding Territorial Senior Partner for PricewaterhouseCoopers Indochina (Vietnam, Cambodia and Laos). He is a board member of several listed companies in Singapore, including Avi-tech Electronics Ltd, GSH Corporation Holdings Ltd, Ascendas India Trust and FSL Trust Management Pte Ltd. Mr Gray has also held many positions in Boards of Voluntary Welfare Organisations and government committees in Singapore.

Thuy Bich Dam
Non-executive Director (Independent)

Ms Thuy Bich Dam began her career at Vietnam's Ministry of Science, Technology and Environment, responsible for coordinating treaties between the government and the World Intellectual Property Organisation (WIPO) and the European Patent Office (EPO). From 1996 to 2005, Ms Dam worked as the Natural Resources Director of ANZ Investment Bank (Singapore). Following this, Ms Dam was appointed as the CEO Vietnam, CEO Greater Mekong Region and Vice Chairwoman for the Greater Mekong Region for ANZ Bank Vietnam over a span of nearly eight years. Ms Dam is currently the Chief Representative for the National Australia Bank, Vietnam. She holds a Bachelors degree in English from Hanoi University, an MBA Finance from The Wharton School of Business and completed the Advanced Management Program from Harvard Business School.

REPORT OF THE DIRECTORS

The Board of Directors ("the Board") submits its report together with the consolidated financial statements of VOF and its subsidiaries (together "the Group") for the year from 1 July 2014 to 30 June 2015 ("the year").

VOF is currently incorporated in the Cayman Islands as an exempted company with limited liability. The current registered office of the Company is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The Company's shares are currently traded on the AIM market of the London Stock Exchange. Throughout the year ended 30 June 2015 and to the date of this report, the Company complied with the AIM rules for companies.

The Company's investments are managed by VinaCapital Investment Management Limited ("VCIM" or the "Investment Manager").

At an Extraordinary General Meeting on 27 October 2015, shareholders approved proposals to change the Company's domicile to Guernsey. An announcement of the new registered office will be made once the change of domicile has taken place.

Following the change of domicile, it is the also Directors' intention to move the trading venue for the Company's shares from AIM to a premium listing on the Main Market of the London Stock Exchange and this is expected to occur shortly after completion of the migration to Guernsey.

Principal activities
VOF's principal activity is to undertake various forms of investment activity in Vietnam or in companies with a substantial majority of their assets, operations, revenues or income in, or derived from, Vietnam. The Company mainly invests in listed and unlisted companies, debt instruments, private equity and real estate assets and other opportunities with the objective of achieving medium to long-term capital appreciation and investment income. The principal activities of the subsidiaries are predominantly investment holding, having investments primarily in property and hospitality management.

Life of the Company
VOF does not have a fixed life but the Board considers it desirable that Shareholders should have the opportunity to review the future of the Company at appropriate intervals. Accordingly, every fifth year the board intends to propose to shareholders the opportunity to vote on the continuation of the Company. The next resolution on the life of the Company will be proposed at the AGM to be held in 2018.

Investment Policy and Valuation Policy
VOF investment objectives and investing policy are set out on page 118. The valuation policy can be found on page 119.

Co-investments
The Investment Manager may from time to time manage other funds which have a similar or overlapping investment objective and policy to that of the Company. Circumstances may arise where investment opportunities will be available to the Company and which are also suitable for one or more of the other funds managed by the Investment Manager. Where a conflict arises in respect of an investment opportunity, the Investment Manager will allocate the opportunity on a fair basis. In such event, deals sourced by the investment teams serving the Company will normally be made on a pro rated basis between the Company and the other funds served by the Investment Manager.

Performance
The Chairman's Statement on pages 3 to 7 and the Investment Manager's Report on pages 8 to 32 give details of VOF's activities and performance during the year.

The key performance indicators ("KPIs") used to measure the progress of VOF during the year are as follows:

- NAV
- The movement in the Company's share price
- Discount of the share price in relation to the NAV

Information relating to the KPIs can be found in the Financial Highlights on page 1.

Principal Risks and Uncertainties
The Board considers the principal risks to be those set out below. Information regarding the Company's risk management and internal control procedures is given in the following sections and in the Corporate Governance Statement and financial statements within this Annual Report.

The Company is exposed to a variety of risk factors. The Company's overall risk management programme covers the broad range of risks to which the Company is exposed. Risk management is coordinated by the Investment Manager who seeks to manage risks to an acceptable level through the implementation and operation of effective controls and/or the transfer of risk to other parties. The Board receives and reviews regular reports on all identified risks.

General market risk

The Company may not meet its investment objective
The Company may not achieve its investment objective. Meeting the investment objective is a target but the existence of such an objective should not be considered as an assurance or guarantee that it can or will be met.

Investor returns will be dependent on the performance of the portfolio and the Company may experience fluctuations in its operating results
The market value of the Shares may fluctuate and may not always reflect their underlying value. Returns achieved are reliant primarily upon the performance of the portfolio. No assurance is given, express or implied, that Shareholders will receive back the amount of their original investment. Such variability may lead to volatility in the trading price of the Shares and cause the Company's results for a particular period not to be indicative of its performance in a future period and this may materially adversely affect the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Calculation of Net Asset Value
In calculation of the Company's unaudited Net Asset Value, the Company will have regard to the various valuation policies that it has adopted. The value of securities which are quoted or dealt in on any stock exchange (including any securities traded on an "over the counter market") shall be based on the last traded prices on such stock exchange. However, in circumstances where such prices are not available, or the Investment Manager believes such securities are not traded in sufficient volume for the market price to represent an accurate valuation, such holdings will be attributed to a fair value as determined by the Board. In addition, whilst the fair value of unlisted equities (private equities) and real estate will be determined by using industry standard valuation techniques there are inherent limitations of estimating the values. Accordingly, such fair valuations may not be accurate and this may impact on the accuracy of the unaudited Net Asset Value reported to Shareholders.

Currency and interest rate risks and hedging risks
The Company has made and will make investments in, and earns income denominated in Vietnamese Dong. The value of the Vietnamese Dong has historically been closely linked to that of the U.S. Dollar via a crawling peg, the Group's reporting currency. Exchange rate fluctuations and local currency devaluation could have a material effect on the Net Asset Value, which is expressed in U.S. Dollars.

Concentration of investments
The Company intends to meet its investment objective by investing in a diversified portfolio of assets either in Vietnam or in companies with a substantial majority of their assets, operations, revenues or income in, or derived from, Vietnam and across a range of sectors with the objective of spreading investment risk. However, the Company may invest up to 20 per cent. of its gross assets in a single investment and there are no restrictions on the Company's exposure to one particular sector. Concentration of the Company's portfolio of investments in any one holding or in any particular sector may result in greater volatility in the value of the Company's investments and consequently its Net Asset Value and may materially adversely affect the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Delays in currency conversion
Most of the Company's investments are in securities that are denominated in Vietnamese Dong and that pay dividends in Vietnamese Dong. The Company will need to convert Vietnamese Dong back into US Dollars when funds are remitted outside of Vietnam, but the Vietnamese Dong is currently not a freely convertible currency. Due to current applicable Vietnamese currency and tax restrictions, there is no assurance that the Company will be able to convert Vietnamese Dong proceeds from the disposal of investments or income arising from investments into US Dollars at all or at any particular exchange rate. Any delay in conversion may increase the Company's exposure to depreciation of the Vietnamese Dong against other currencies which may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Vietnamese market risk

Investments in Vietnamese issuers are subject to a greater risk of loss than investments located or operating in more developed markets. This is due to, among other things, the potential for greater market volatility, lower trading volume, higher levels of inflation, deflation or currency devaluation, which could damage their economies and securities markets. Political and economic change (including the pace or direction of economic and legal reforms), market shutdown and governmental limitations on foreign investments may affect the value of the Company's investments. Investments in Vietnamese companies might also be affected by any escalation that may occur in tensions in the South China Sea or elsewhere. In addition, investments in Vietnam may carry risks of failed or delayed settlement and in the registration and custody of securities. Companies operating in Vietnam may not be subject to accounting, auditing and financial reporting standards nor the same level of corporate governance or internal controls nor the same level of government supervision and regulation as in more developed markets. The occurrence of any such issues, could have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Legal system risks

The laws and regulations in Vietnam are at an early stage of development and are not well established. The Company may find it difficult or impossible to obtain effective enforcement of its rights through legal proceedings in Vietnam. Foreign court judgments are generally not recognised in Vietnam. Where possible, foreign entities such as the Company often select foreign arbitration to resolve contract disputes. However, while there is a legal basis for the recognition and enforcement of foreign arbitral awards in Vietnam in respect of certain types of contracts, there have only been a small number of cases where a Vietnamese court has actually enforced such an award against a Vietnamese party.

Listed securities and OTC stocks

The Hanoi Stock Exchange and the Ho Chi Minh City Stock Exchange are not as developed as the more established securities markets and have substantially less trading volume, which may result in a lack of liquidity and higher price volatility. There may be a high concentration of market capitalisation and trading volume in a small number of issuers representing a limited number of industries as well as a high concentration of investors and financial intermediaries. In addition, there has often been a high degree of short–term speculative trading on these markets, partly attributable to the underdeveloped institutional investor base in Vietnam. These factors may adversely affect the timing and price of the acquisition or disposal of securities on these markets. In addition, an economic downturn or an increase in the real or perceived risks associated with Vietnam or the Asia-Pacific region could adversely affect the market price of securities of companies exposed to Vietnam or the Asia-Pacific region even if the economies of such countries remain stable, all of which may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Private equity investments

Private equity investments may be difficult for the Company to sell and the price achieved on any such realisation may be at a discount to the prevailing valuation of the relevant investment which may adversely affect the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Real estate risk

The Company is subject to a broad range of real estate specific risks. In addition, a significant proportion of the Company's real estate holdings are co-investments with VinaLand Limited, another fund managed by the Investment Manager. In most cases VinaLand Limited holds a controlling stake in the joint venture company and therefore exerts control over the investment and the Company may not always have structural minority protection rights. As both funds are managed by the same Investment Manager, each fund's investment objectives for each property are generally the same, but this may not always be the case. Given VinaLand Limited's recently established investment objectives of disposing of a portion of its portfolio, the Company could potentially be put in a position where sales may be triggered earlier than ideally desired. The Board reviews all such decisions and under normal circumstances is not prepared to assume the development risk that would result from continuing to hold an investment which VinaLand Limited is selling.

The Company is dependent on the expertise of the Investment Manager and its key personnel to evaluate investment opportunities and to implement the Company's investment objective and investment policy

The performance of the Company will depend on the ability of the Investment Manager to provide competent, attentive and efficient services to the Company. There can be no assurance that, over time, the Investment Manager, will be able to provide such services or that the Company will be able to invest its assets on attractive terms or generate any investment returns for Shareholders or indeed avoid investment losses. If the Investment Management Agreement is terminated, the Directors would have to find a replacement investment manager for the Company and there can be no assurance that such a replacement will be found, which may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Shares may trade at a discount to the Net Asset Value per Share

The Shares may trade at a discount to the Net Asset Value per Share and Shareholders may be unable to realise their investments through the secondary market at Net Asset Value per Share.

Distribution of Income

It is intended that the Company's income will consist wholly or mainly of investment income. The Directors currently intend to reinvest a large part of income to take advantage of opportunities meeting the Company's investment objectives, and where suitable opportunities are not available to distribute substantially all of the Company's surplus income and capital gains to holders of the ordinary shares. The distribution of dividends may be made in the form of a tender offer to shareholders at NAV for tax efficiency for certain shareholders.

Results and dividend

The results of the Group for the year and the state of its affairs as at that date are set out in the consolidated financial statements on pages 63 to 115.

The Board does not recommend the payment of a dividend for the year (year ended 30 June 2014: Nil).

Discount Management

The Board has been mindful over the last several years of the wide discount to NAV per share at which the shares have been trading. In October 2011, the Board sought and obtained shareholder approval to implement a share buyback programme. By 30 June 2015, a total of 104,652,647 shares had been bought back, a return of capital to shareholders of approximately USD213.3 million, which in turn has had a number of positive effects for shareholders:

- The discount to NAV at which the shares trade has narrowed considerably from a high of approximately 42 per cent at the commencement of the buyback programme in November 2011 to 23 per cent as at 30 June 2015; and
- Since the commencement of the buyback programme, the NAV per share has been enhanced by approximately 39 cents per share from these buybacks, equating to a 13.6 per cent benefit to the Company's NAV per share.

As at 29 December 2015, being the latest practicable date prior to the publication of this report, 110,088,647 shares had been bought back and cancelled. The total amount paid for these shares was USD227.3 million.

The Board remains determined to continue to operate the share buyback programme in an effort to ensure that the share price more closely reflects the underlying NAV per share. While no public announcement has been made in terms of the target percentage discount or the volume of funds to be allocated to buybacks, the Board considers the current discount to be too high.

The Board will continue to retain responsibility for setting the parameters for the discount management policy, for overseeing the management of the buyback programme and for ensuring that its policy is implemented. The Board intends to continue to seek to narrow the discount through the continued use of share buybacks and will consider using other means of addressing the discount level should it persist at the current wide level. The Board's objective is to achieve a narrowing of the discount in a manner that is sustainable over the longer term. The Board and the Investment Manager intend to consult regularly with Shareholders with a view to assessing and improving the effectiveness of the buyback programme.

Share Capital and Treasury Shares

At the year end, the Company had 324,610,259 ordinary shares in issue, of which 104,652,647 were held in treasury. Subsequent to the Company's financial year end, and as part of the process of migrating the Company's domicile to Guernsey, the Directors resolved to cancel all shares held in treasury and this cancellation was completed on 30 September 2015. As at 29 December 2015, there were 214,521,612 ordinary shares in issue.

Investment Manager
The Investment Manager is responsible for the day-to-day management of the Company's investment portfolio including the acquisition, monitoring and disposal of assets in line with the overall strategy and framework set out by the Board.

Following the shareholders' rejection of the Company's discontinuation at the EGM held in 22 July 2013, the Company entered into an Amended and Restated Investment Management Agreement ("the Agreement") which the Board believes to comply with best practice for investment management agreements. The Agreement reduced the base investment management and incentive fees by 25 per cent and restructured the incentive fee to better align the interests of the Investment Manager with those of the shareholders. The notice period for termination of the Agreement remains at six months.

Investment Manager's Fees
The Investment Manager is entitled to receive from the Company a base fee ("the Management Fee") and, where applicable, a performance-related fee ("the Incentive Fee").

The Management Fee is 1.5 per cent per annum of the NAV, payable monthly in arrear.

In respect of the Incentive Fee, the Investment Manager is eligible for a payment equal to 15 per cent of the performance subject to an 8 per cent hurdle and full catch up.

For the purpose of calculating the Incentive Fee, the net assets are segregated into a Direct Real Estate Portfolio and a Capital Markets Portfolio. A separate Incentive Fee is calculated for each portfolio and operates independently so that for any financial year it will be possible for an Incentive Fee to become payable in relation to one, both or neither portfolio, depending on the performance of each portfolio. The amount of Incentive Fees paid in any single financial year is limited to 1.5 per cent of the applicable closing NAV of the portfolio from which the Incentive Fee was earned.

Continuing Appointment of the Investment Manager

The Board keeps the performance of the Investment Manager under review. It is the opinion of the Board that the continuing appointment of VinaCapital Investment Management Limited is currently in the best interests of shareholders as a whole. The Investment Manager has one of the largest and best resourced investment teams in the Vietnamese markets, and has the track record, experience and capacity to make and monitor investments across a range of different asset classes and sectors. The team is led by Andy Ho and comprises his deputies Loan Dang (Private Equity) and Duong Vuong (Capital Markets) and a further 16 investment and research professionals. In addition, the Company has access to the investment team responsible for real estate investment, a significant part of which is co-invested with VNL, another closed ended Company managed by VCIM. The investment returns earned by the Company over the year under review and over the longer term have been good and bear witness to the capability of the team. The investment team is supported by a comprehensive operational infrastructure. VinaCapital also operates a risk management and control environment with the goal of controlling the risks of investing in a less developed market.

Board of Directors

The members of the Board during the year and up to the date of this report are:

Name	Position	Date of appointment	Date of resignation
Steven Bates	Chairman	5 February 2013	–
Martin Adams	Director	5 February 2013	–
Thuy Dam	Director	7 March 2014	–
Martin Glynn	Director	18 March 2008	27 November 2014
Michael Gray	Director	24 June 2009	–
Don Lam	Director	18 March 2008	27 November 2014

The biographies of the Directors in office as at the date of this report are shown on pages 35 and 36.

The UK Corporate Governance Code, published by the Financial Reporting Council in September 2012 ("UK Code"), provides that all directors of FTSE 350 companies should be subject to annual election by shareholders. Although VOF, as an AIM quoted company, is not required to comply with this provision, the Board is committed to achieving the highest standards of corporate governance and, as such, has decided to adopt best practice in this area. As explained in the 2013 Annual Report and Accounts the Board has decided that all Directors will stand for election annually. Accordingly, Messrs Bates, Adams, Gray and Ms Thuy will each retire and stand for re-election at the 2015 Annual General Meeting.

Directors' interests in the Company
As at 30 June 2015, the interests of the Directors in the shares are as follows:

	Direct holding	Indirect holding	Approximate direct and indirect holding
Steven Bates	–	–	–
Martin Adams	–	–	–
Thuy Dam	–	–	–
Michael Gray	100,000	–	0.031%

There have been no changes to any holdings between 30 June 2015 and the date of this report.

Substantial Shareholdings
As at 30 June 2015 and 31 August 2015, the Directors are aware of the following interests in the Company's voting rights:

	30 May 2015		31 August 2015	
Shareholder	**Number of ordinary shares**	**% of voting rights**	**Number of ordinary shares**	**% of voting rights**
Lazard Asset Management	19,805,761	8.92	22,227,788	10.11
Simplex Asset Management	13,035,000	5.87	12,870,000	5.85
UBS, Zurich	11,706,244	5.27	10,830,712	4.92
VR Global Partners	11,575,000	5.22	10,525,000	4.79
City of London Investment Management	10,304,668	4.64	9,268,970	4.21
State Street	8,038,941	3.62	7,392,777	3.36
Bank Julius Baer, Zurich	7,417,460	3.34	7,093,024	3.22
Advance Emerging Capital	4,809,389	2.17	6,624,389	3.01

Annual General Meeting ("AGM")
The Company's second AGM will be held at the offices of Northern Trust at Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3QL. The Notice of Meeting is set out on pages 116 and 117. The following notes provide an explanation of the resolutions being proposed by the Board:

Resolution 1 – Report and Accounts
The Directors are proposing an ordinary resolution to adopt the Company's financial statements for the financial year ended 30 June 2015.

Resolutions 2 – 5 – Re-election of Directors
As set out on page 45 all Directors will retire and submit themselves for re-election annually. The Board is satisfied that each of the Directors continues to be effective and demonstrates a commitment to the role and that each of the Directors continues to be able to dedicate sufficient time to their duties.

The Directors believe that the Board continues to include an appropriate balance of skills knowledge which include significant financial experience, extensive knowledge of South East Asia and experience of public companies listed on the London Stock Exchange.

Full biographies of all the Directors are set out on pages 35 and 36 and are also available for viewing on VCIM's website (http://www.vinacapital.com).

Resolutions 6 and 7 – re-appointment of auditor and auditors' remuneration
The Board is proposing the re-appointment of PricewaterhouseCoopers ("PwC") as the Group's auditor for the financial year to 30 June 2015. The PwC entity which is responsible for the audit will change from PwC (Hong Kong) to PwC (CI) following the planned migration to Guernsey. Resolution 7, if passed, also gives authority to the Directors to determine the auditor's remuneration.

Auditor
The Group's Auditor is PricewaterhouseCoopers Hong Kong, which was appointed in November 2011. Shareholders approved their re-appointment at the 2014 AGM. Following the planned migration to Guernsey a different PricewaterhouseCoopers entity, PricewaterhouseCoopers CI LLP will take over the audit function.

Corporate Governance
The Corporate Governance Statement on pages 48 to 59 forms part of the Report of the Directors.

Going Concern
The Directors have carefully reviewed the Company's current financial resources and the projected expenses for the next 12 months. On the basis of that review and as the majority of net assets are securities which are traded actively on the Vietnam Stock Exchange, the Directors are satisfied that the Company's resources are adequate for continuing in business for the foreseeable future and that it is appropriate to prepare the Group's financial statements on a going concern basis.

Subsequent events after the reporting date
No significant events have occurred since the reporting date which would impact on the financial position of the Group as disclosed in the Consolidated Balance Sheet as at 30 June 2015 or on the results and operations and cash flows of the Group for the year then ended.

While not impacting the financial position of the Group, as reported above at an Extraordinary General Meeting on 27 October 2015, shareholders approved proposals to change the Company's domicile to Guernsey. This change of domicile is expected to take place in March 2016. It is expected that the trading venue for the Company's shares will change from AIM to a premium listing on the Main Market of the London Stock Exchange shortly after completion of the migration to Guernsey.

On behalf of the Board

Steven Bates
Chairman
VinaCapital Vietnam Opportunity Fund Limited
29 December 2015

CORPORATE GOVERNANCE STATEMENT

The Board is committed to maintaining a high standard of corporate governance, with the ultimate aim being to protect shareholders' and other stakeholders' interests. Whilst the Company is currently trading on the Alternative Investment Market, it is anticipated that it will shortly be admitted to the Main Market of the London Stock Exchange. In preparation for the listing on the Main Market the Board has considered the principles and recommendations of the Association of Investment Companies' Code of Corporate Governance ("AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies ("AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all of the principles set out in the UK Corporate Governance Code ("the UK Code") and the GFSC Finance Sector Code of Corporate Governance ("Guernsey Code"), as well as setting out additional principles and recommendations on issues that are of specific relevance to investment companies. The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Code), will provide better information to shareholders. The AIC Code can be found on the AIC website at www.theaic.co.uk/aic-code-of-corporate-governance.

The UK Code includes provisions relating to:

- The role of the chief executive;
- Executive directors' remuneration; and
- The need for an internal audit function.

For the reasons set out in the AIC Guide and in the preamble to the AIC Code, and as explained in the UK Code, the Board considers these provisions are not relevant to the position of the Company, being an externally managed investment company. In particular, all of the Company's day-to-day management and administration functions are outsourced to third parties. The Company has therefore not reported further in respect of these provisions, but provides further details of the Investment Manager's internal audit function on page 58.

The AIC Code sets out 21 principles. A statement of compliance with each of these 21 principles is set out in the following table:

1. The Chairman should be independent	The Chairman, Steven Bates, was independent of the Investment Manager at the time of his appointment and remains so. There is a clear division of responsibility between the Chairman, the Directors, the Investment Manager and the Company's other third party service providers. The Chairman is responsible for leading the Board, ensuring its effectiveness in all aspects of its role and is responsible for ensuring that all Directors receive accurate, timely and clear information. Given its size, the nature of its business and the fact that all Directors are non-executive, the Board does not believe that it requires a Senior Independent Director. The Chairman or any other director may be contacted via the Company Secretary, who is independent of the Board and of the Investment Manager.

2. A majority of the Board should be independent of the Manager.	The Board consists of four non-executive Directors, each of whom is independent of the Investment Manager. No member of the Board is a Director of another investment company managed by the Company's Investment Manager, nor has any Board member been an employee of the Company, its Investment Manager or any of its service providers, with the exception that Mr Gray was, until 2004, a partner of PwC Singapore. PwC Hong Kong were appointed as the Company's auditor with effect from November 2011. Mr Gray joined the Board in 2009 and is independent of the Manager.
3. Directors should be submitted for re-election at regular intervals. Nomination for re-election should not be assumed but be based on disclosed procedures and continued satisfactory performance.	All Directors will submit themselves for annual re-election by shareholders. The individual performance of each Director standing for re-election is evaluated annually by the other members of the Board and, if considered appropriate, a recommendation is made that shareholders vote in favour of their re-election at the AGM.
4. The Board should have a policy on tenure, which is disclosed in the Annual Report.	The Board, meeting as the Nomination Committee, considers the structure of the Board and recognises the need for progressive refreshing of the Board. The Board has adopted a formal policy requiring that Directors should stand down at the AGM following the ninth anniversary of their initial appointment.
5. There should be full disclosure of information about the Board.	The biographical details of the Directors are set out on pages 35 and 36 of this Annual Report. Details of the Board's Committees and their composition are set out on pages 56 and 57 of this Annual Report. The Audit Committee comprises all of the Directors, all of whom are considered independent. The Chairman of the Company is a member of the Audit Committee, but does not chair it. His membership of the Audit Committee is considered appropriate given the nature of the Company and his extensive knowledge of the asset management industry and investment in emerging markets.

6. The Board should aim to have a balance of skills, experience, length of service and knowledge of the Company.

The Board believes that each Director has appropriate qualifications, industry experience and expertise to guide the Company and that the Board as a whole has an appropriate balance of skills, experience and knowledge. The Directors' biographies can be found on pages 35 and 36.

Steven Bates (Chairman) – was appointed to the Board in May 2013, bringing to the role his experience as a fund manager specialising in emerging markets and closed end funds.

Martin Adams – is an expert in closed end funds with an excellent reputation as a champion of shareholder rights. Martin has a background as an Asian investment specialist and has managed and been a director of various investment funds in Vietnam since 1991.

Thuy Dam – has had a distinguished career as a banker in the Indochina region, mostly spent with ANZ Banking Group. She is a Vietnamese citizen.

Michael Gray – has extensive experience in accounting and auditing in Vietnam and the wider Asian region.

7. The Board should undertake a formal and rigorous annual evaluation of its own performance and that of its Committees and individual Directors.

The Board, meeting as the Nomination Committee, has a formal process to evaluate its own performance and that of its Chairman annually. The Chairman leads the assessment which covers the functioning of the Board as a whole, the effectiveness of the Board Committees and the independence of each Director. Where necessary the Chairman discusses the responses with each Director individually. The Chairman absents himself from the Board's review of his effectiveness as the Company Chairman.

During the 2014/15 accounting year, the review considered the Board's objectives and how the contributions made individually and collectively to Board meetings helped the Company to achieve its objectives.

The Board is satisfied that the structure, mix of skills and operation of the Board continue to be effective and relevant for the Company.

8. Directors' remuneration should reflect their duties, responsibilities and the value of their time spent.

The Board has a formal Remuneration Committee, chaired by Ms Dam.

The Board's policy is that the remuneration of the independent non-executive Directors should reflect the experience and time commitment of the Board as a whole, and is determined with reference to comparable organisations and available market information each year.

Details on the remuneration arrangements of the Directors can be found on page 60.

9. The Independent Directors should take the lead in the appointment of new Directors and the process should be disclosed in the Annual Report.	The Nomination Committee is responsible for the appointment of new Directors. The Committee's role and approach are described on page 57.
10. Directors should be offered relevant training and induction.	New appointees to the Board are provided with a full induction programme. The programme covers the Company's investment strategy, policies and practices. The Directors are also given key information on the Company's regulatory and statutory requirements as they arise, including information on the role of the Board, matters reserved for its decision, the terms of reference for the Board Committees, the Company's corporate governance practices and procedures and the latest financial information. It is the Chairman's responsibility to ensure that the Directors have sufficient knowledge to fulfil their role and Directors are encouraged to participate in training courses where appropriate. The Directors have access to the advice and services of a Company Secretary who is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. The Company Secretary is also responsible for ensuring good information flows between all parties.
11. The Chairman (and the Board) should be brought into the process of structuring a new launch at an early stage.	Principle 11 applies to the launch of new investment companies and is therefore not applicable to the Company
12. Boards and Managers should operate in a supportive, cooperative and open environment.	The Board meets regularly throughout the year and a representative of the Investment Manager is in attendance, when appropriate, at each meeting and most Committee meetings. The Chairman encourages open debate to foster a supportive and co-operative approach for all participants.

13. The primary focus at regular Board meetings should be a review of investment performance and associated matters such as gearing, asset allocation, marketing/ investor relations, peer group information and industry issues.	The Board has agreed a schedule of matters specifically reserved for decision by the Board. This includes establishing the investment objectives, strategy and benchmarks, the permitted types or categories of investments, the markets in which transactions may be undertaken, the level of permitted gearing and borrowings, the amount or proportion of the assets that may be invested in any category of investment or in any one investment, and the Company's treasury and share buyback policies. The Board, at its regular meetings, undertakes reviews of key investment and financial data, revenue projections and expenses, analyses of asset allocation, transactions and performance comparisons, share price and net asset value performance, marketing and shareholder communication strategies, the risks associated with pursuing the investment strategy, peer group information and industry issues. The Audit & Valuation and Management Engagement Committees of the Board respectively, review the Company's risk matrix and the performance and cost of the Company's third party service providers.
14. Boards should give sufficient attention to overall strategy.	The Board is responsible for strategy and has established a predetermined annual programme of agenda items under which it reviews the objectives and strategy for the Company at each meeting.
15. The Board should regularly review both the performance of, and contractual arrangements with, the Manager (or executives of a self-managed Company)	The Management Engagement Committee meets at least once a year. It reviews annually the performance of the Investment Manager. The Committee considers the quality, cost and remuneration method of the service provided by the Investment Manager against its contractual obligations and the Board receives regular reports on compliance with the Investment Restrictions which it has set. It also considers the performance analysis provided by the Investment Manager. In view of the level of data available from independent service providers, and the appraisal undertaken by the Board, the Board does not consider an independent appraisal of the Investment Manager's service to be necessary. The Audit and Valuation Committee reviews the Investment Manager's compliance and control systems in operation insofar as they relate to the affairs of the Company and the Board undertakes periodic reviews of the arrangements with and the services provided by the Custodian, to ensure that the safeguarding of the Company's assets and security of the shareholders' investment is being maintained.

16. The Board should agree policies with the Manager covering key operational issues.	The Investment Management Agreement between the Company and the Investment Manager sets out the limits of the Investment Manager's authority, beyond which Board approval is required. The Board has also agreed detailed investment guidelines with the Investment Manager, which are considered at each Board meeting. Representatives of the Investment Manager attend each meeting of the Board to address questions on specific matters and to seek approval for specific transactions which the Investment Manager is required to refer to the Board, for example investing in real estate or unquoted investments. The Board has delegated discretion to the Investment Manager to exercise voting powers on its behalf.
17. Boards should monitor the level of the share price discount or premium (if any) and, if desirable, take action to reduce it.	A report on discount management is set out in the Chairman's Statement on page 5.
18. The Board should monitor and evaluate other service providers.	The Management Engagement Committee reviews, at least annually, the performance of all of the Company's third party service providers, including the level and structure of fees payable and the length of the notice period, to ensure that they remain competitive and in the best interests of shareholders. The Audit and Valuation Committee reviews reports from the principal service providers on compliance and the internal and financial control systems in operation and relevant independent audit reports thereon.

19. The Board should regularly monitor the shareholder profile of the Company and put in place a system for canvassing shareholder views and for communicating the Board's views to shareholders.	A detailed analysis of the substantial shareholders of the Company is provided to the Directors at each Board meeting. The Chairman and representatives of the Investment Manager regularly meet with institutional shareholders to discuss strategy and to understand their issues and concerns and, if applicable, to discuss corporate governance issues. The results of such meetings are reported at the following Board meeting. Regular reports from the Company's brokers are submitted to the Board on investor sentiment and industry issues. Shareholders wishing to communicate with the Chairman, or any other member of the Board, may do so by writing to the Company, for the attention of the Company Secretary, at the Registered Office. The Directors welcome the views of all shareholders and place considerable importance on communications with them.
20. The Board should normally take responsibility for, and have a direct involvement in, the content of communications regarding major corporate issues even if the Manager is asked to act as spokesman.	All substantive communications regarding any major corporate issues are discussed by the Board taking into account representations from the Investment Manager, the Auditor, legal advisers, broker and Company Secretary.
21. The Board should ensure that shareholders are provided with sufficient information for them to understand the risk: reward balance to which they are exposed by holding the shares.	The Company places great importance on communication with shareholders and aims to provide them with a full understanding of the Company's investment objective, policy and activities, its performance and the principal investment risks by means of informative Annual and Half Year reports. This is supplemented by the publication of a monthly fact sheet. The Annual Report provides information on the Investment Manager's investment performance, portfolio risk and operational and compliance issues. The Company's website, www.vof-fund.com, is regularly updated with monthly factsheets and provides useful information about the Company including the Company's financial reports and announcements.

City Code on Takeovers and Mergers (the "City Code")
The Panel on Takeovers and Mergers supervises and regulates takeovers and other matters to which the City Code applies. The City Code did not apply to the Company during the year under review but will apply when it is listed on the Main Market of the London Stock Exchange.

Board of Directors
The Board consists entirely of non-executive Directors.

The Board meets regularly and uses a structured agenda to ensure that all key areas are reviewed, covering but not limited to the review of the Company's strategy, financial position and performance, the Investment Manager's operations and shareholder relations. During the year to 30 June 2015, the number of scheduled Board and Committee meetings attended by each Director was as follows:

	Board meetings	Audit and Valuation Committee meetings	Management Engagement Committee meetings	Nomination Committee meetings	Remuneration Committee meetings
Steven Bates†	3 (3)	4 (4)	1 (1)	1 (1)	1 (1)
Martin Adams‡	3 (3)	4 (4)	1 (1)	1 (1)	1 (1)
Thuy Dam	3 (3)	4 (4)	1 (1)	1 (1)	1 (1)
Martin Glynn*	1 (1)	1 (1)	N/A	1 (1)	1 (1)
Michael Gray±	3 (3)	4 (4)	1 (1)	1 (1)	1 (1)
Don Lam*	1 (1)	N/A	N/A	N/A	N/A

† Steven Bates is Chairman of the Board and the Nomination Committee.

‡ Martin Adams is Chairman of the Management Engagement Committee.

± Michael Gray is Chairman of the Audit and Valuation Committee.

* Martin Glynn and Don Lam retired as Directors on 27 November 2014.

Figures in brackets indicate the number of meetings held in the year in respect of which the individual was eligible to attend as either a Board or Committee member.

Board responsibilities
The Board is responsible to shareholders for the determination and implementation of the Company's investment policy, and the direction and long-term performance of the Company and the entities which it controls. The Board oversees the implementation of a high standard of corporate governance with respect to the Company's affairs, strategy, direction and the supervision of the Investment Manager, as stipulated in the Investment Management Agreement ('IMA'). The IMA documents the Investment Manager's responsibilities and authority to enter or exit investments, or enter into any commitments on behalf of the Company. Under the agreement, the Board ensures the Investment Manager follows the Board's strategic direction to achieve the investment objectives in the identification, acquisition, management and disposal of investments and the determination of any financing arrangements.

The Company's Directors have direct access to the Company's Nominated Adviser, Company Secretary, lawyers, brokers and the Investment Manager's Legal Counsel and Head of Compliance.

Board committees

During the year, there were four Board committees in operation: the Audit and Valuation Committee, Management Engagement Committee, Remuneration Committee and Nomination Committee. Each Committee was comprised solely of independent Directors. The chairmanship and membership of each Committee throughout the year, and the number of meetings held during the year, is shown in the table on page 55. A summary of the duties of each of the Committees is provided below. The terms of reference are available on the Company's website: www.vinacapital.com/VOF.

Audit and Valuation Committee

The Audit and Valuation Committee, which meets at least twice a year, comprises all independent Directors and is chaired by Mr Gray.

The Committee is responsible for monitoring the process of production and ensuring the integrity of the Company's accounts. The primary responsibilities of the Committee are: to oversee the relationship with the Auditor and make recommendations to the Board in relation to their re-appointment and to approve their remuneration and terms of engagement; to assess the Auditor's independence and objectivity and the effectiveness of the audit process; to review the effectiveness of the Company's internal control environment; to identify, assess, monitor and mitigate the risks associated with the Company's business; to monitor adherence to best practice in corporate governance; and to review the Company's whistleblowing arrangements and its procedures for detecting fraud and preventing bribery and corruption.

In discharging its responsibility to oversee the Auditor's independence, the Audit and Valuation Committee considers whether any other engagements provided to the auditor will have an effect on, or perception of, compromising the Auditor's independence and objectivity. The performance of services outside of external audit must be specific and approved by the Audit and Valuation Committee Chairman.

In relation to its remit over the valuation of investments, the Committee's primary goal is to ensure that the Company's investments are recorded at fair value. In doing so, the Committee reviews the reports of independent valuation specialists as well as reviewing the Investment Manager's valuation process. Each individual valuation is reviewed in detail and the recommendations of the independent valuers may be accepted or modified. The Committee approves the fair value of investments used to prepare the financial statements.

The Audit and Valuation Committee's Chairman presents the Committee's findings to the Board at each Board meeting.

Management Engagement Committee

The Management Engagement Committee comprises all independent Directors and is chaired by Mr Adams. The Committee's responsibilities include: reviewing the performance of the Investment Manager under the Investment Management Agreement and to consider any variation to the terms of the agreement. The Management Engagement Committee also reviews the performance of the nominated adviser, Company Secretary, corporate brokers, custodian, administrator and registrar and any matters concerning their respective agreements with the Company.

Remuneration Committee
The Remuneration Committee comprises all independent Directors and is chaired by Ms Dam. The Committee's responsibilities include: setting the policy for the remuneration of the Company's Chairman, the Audit and Valuation Committee Chairman and the Directors, and reviewing the ongoing appropriateness and relevance of the remuneration policy; determining the individual remuneration policy of each non-executive Director; agreeing the policy for authorising Directors' expenses claims; and the selection and appointment of any remuneration consultants who advise the Committee.

Nomination Committee
The Nomination Committee comprises all independent Directors and is chaired by Mr Bates. The Committee's responsibilities include: reviewing the structure, size and composition of the Board and making recommendations to the Board in respect of any changes; succession planning for the Chairman and the Directors; making recommendations to the Board concerning the membership and chairmanship of the Board committees; identifying and nominating for the approval of the Board candidates to fill Board vacancies; and, before any new appointment is recommended; evaluating the balance of skills, knowledge, experience and diversity within the Board and preparing an appropriate role description.

The Management Engagement Committee, the Remuneration Committee and the Nomination Committee each meet at least once a year.

Internal Controls and Risk Management
The Board is responsible for determining the nature and extent of the significant risks which it is willing to take in achieving its strategic objectives and maintaining sound risk management and internal control systems and for reviewing their effectiveness.

The risk management process and systems of internal control are designed to manage rather than eliminate the risk of failure to achieve the Company's objectives. It should be recognised that such systems can only provide reasonable, but not absolute, assurance against material misstatement or loss.

Risk Management System
The Investment Manager's Enterprise Risk Management ('ERM') framework provides a structured approach to managing risk across all of its managed funds by establishing a risk management culture through education and training, formalised risk management procedures, defining roles and responsibilities with respect to managing risk, and establishing reporting mechanisms to monitor the effectiveness of the framework. The Audit Committee works closely with the Investment Manager on the application and review of the ERM framework to the Company's risk environment.

The Audit and Valuation Committee considers the regular assessments of internal controls in the context of the Company. The reviews cover the strategic, investment, operational and financial risks facing the Company. In arriving at its judgement of the risks which the Company faces, the Board has considered the Company's operations in light of the following factors:

- the nature and extent of risks which it regards as acceptable for the Company to bear within its overall business objective;
- the threat of such risks becoming reality;
- the Company's ability to reduce the incidence and impact of risk on its performance; and
- the cost to the Company and benefits related to the Company of third parties operating the relevant controls.

Internal control assessment process

The key procedures which have been established to provide effective internal financial controls are as follows:

- investment management is provided by VinaCapital Investment Management. The Board is responsible for the implementation of the overall investment policy and monitors the investment performance, actions and regulatory compliance of the Investment Manager at regular meetings;
- accounting is provided by the Investment Manager and, with effect from 1 October 2015 by Northern Trust;
- the provision of fund administration by HSBC and, with effect from 1 October 2015 by Northern Trust;
- custody of assets is undertaken by Standard Chartered Bank;
- the duties of investment management, accounting and custody of assets are appropriately segregated. The procedures of the individual parties are designed to complement one another;
- VCIM, on behalf of the Directors of the Company, clearly defines the duties and responsibilities of their agents and advisers in the terms of their contracts. The appointment of agents and advisers is conducted after consideration of the quality of the parties involved. The Management Engagement Committee monitors their ongoing performance and contractual agreements;
- mandates for authorisation of investment transactions and expense payments are set by the Board and documented in the Investment Management Agreement;
- the Board receives financial information produced by the Investment Manager on a regular basis. Board meetings are held at least once a quarter to review such information; and
- actions are taken to remedy any significant failings or weaknesses, if identified. No major control deficiencies were identified during the year or up to the date of this report.

Internal audit

The Company does not have its own internal audit function. All of the Company's management functions are delegated to independent third parties who report on their internal controls. These are reviewed by the Investment Manager are reviewed by the Investment Manager and the Board. It is therefore felt that there is no requirement for the Company to have an internal audit function separate from that retained by the Investment Manager.

Following a tender process and after the Company's 2014 year end, KPMG were replaced as the Investment Manager's internal auditor by EY, with the agreement of the Board. The internal audit work was performed based on an internal audit plan reviewed by the Company's Audit and Valuation Committee. The internal auditors have unrestricted access to the business and the Company's Audit and Valuation Committee. They performed audits of the control environment, procedures, and internal controls in respect to the audit areas selected for review. The internal auditor presents its findings to the Audit and Valuation Committee. During the year, no serious control breaches were reported.

The Board will continue to have direct access to the internal auditor who will be responsible for the implementation of a detailed plan which has been agreed by the Board. EY will also respond to specific requests of the directors and will disclose all applicable findings to the Board.

Code of Conduct and Compliance

All employees of the Investment Manager must adhere to the Code of Conduct set out in the Investment Manager's Compliance manual. The Investment Manager has adopted a Code of Conduct based on the International Organisation of Securities Commissions ("IOSCO") International Code of Business Principles 1990, which serves as a model reference for regulators in Vietnam. The manual also incorporates the necessary requirements of any applicable anti-bribery and corruption regulations.

All staff are required to sign an annual compliance attestation confirming compliance with the Code of Conduct and Compliance manual, including their commitment to the fraud and whistleblower policies and procedures. Non-compliance will result in disciplinary action.

Shareholder relations

The Board retains oversight of this process by monitoring the investor relations activities of the Investment Manager and the shareholder profile. Dialogue with shareholders is given a high priority by the Directors, who are keen to improve channels of communication and encourage shareholders to engage directly, the first step being the Board's commitment to hold Annual General Meetings. Shareholders are encouraged to attend and vote at the Annual General Meeting to be held on 26 January 2016 and any shareholder wishing to lodge questions in advance of the meeting is invited to do so by writing to ir@vinacapital.com.

Voting Policy

The exercise of the voting rights attached to the Company's portfolio has been delegated to the Manager who as a policy votes at all meetings of investee companies.

DIRECTORS' REMUNERATION REPORT

Policy on Directors' Fees
The Board's policy is that the remuneration of the independent non-executive Directors should reflect the experience and time commitment of the Board as a whole, and is determined with reference to comparable organisations and available market information each year.

Independent Directors' Fees
The fees for the independent Directors are determined within the limit set out in the Company's Articles of Association, which provide that the aggregate total remuneration paid to independent Directors shall not exceed USD500,000 (or such higher amount as may be approved by the Company in a general meeting) in respect of any 12-month period.

For the year to 30 June 2015, Directors' remuneration remained the same, being USD95,000 for the Chairman and USD75,000 for the independent Directors, with USD5,000 for membership of the Audit and Valuation Committee and USD15,000 for chairmanship of the same.

Directors' Emoluments for the Year
The Directors who served during the year received the following emoluments in the form of fees.

	Year to 30 June 2015 USD	Year to 30 June 2014 USD
Steven Bates	95,000	95,000
Martin Adams	80,000	80,000
Martin Glynn*	32,444	80,000
Michael Gray	90,000	90,000
Bich Thuy Dam	80,000	19,000
Don Lam*	–	–
	377,444	364,000

* retired 27 November 2014.

Mr Lam did not receive emoluments from the Company as he is a Director of the Investment Manager.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Board of Directors' responsibility in respect of the consolidated financial statements
When preparing the consolidated financial statements, the Board of Directors is required to:

i. adopt appropriate accounting policies which are supported by reasonable and prudent judgements and estimates and then apply them consistently;

ii. comply with the disclosure requirements of International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") or, if there have been any departures in the interest of fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the consolidated financial statements;

iii. maintain adequate accounting records and an effective system of internal control;

iv. prepare the consolidated financial statements on a going concern basis unless it is inappropriate to assume that the Company will continue its operations in the foreseeable future; and

v. control and direct effectively the Group in all material decisions affecting its operations and performance and ascertain that such decisions and/or instructions have been properly reflected in the consolidated financial statements.

The Board is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and errors.

The Board confirms that the Group has complied with the above requirements in preparing the consolidated financial statements.

Statement by the Board
In the opinion of the Board, the accompanying consolidated balance sheet, consolidated statement of changes in equity, consolidated income statement, consolidated statement of comprehensive income, and consolidated statement of cash flows, together with the notes thereto, have been properly drawn up and give fair presentation of the financial position of the Group as at 30 June 2015 and the results of its operations and cash flows for the year ended on that date in accordance with the International Financial Reporting Standards as issued by the IASB.

On behalf of the Board

Steven Bates
Chairman
VinaCapital Vietnam Opportunity Fund Limited
29 December 2015

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of VinaCapital Vietnam Opportunity Fund Limited
(Incorporated in the Cayman Islands with limited liability)

We have audited the financial statements of VinaCapital Vietnam Opportunity Fund Limited ("the Company") set out on pages 63 to 115, which comprise the balance sheets as at 30 June 2015 and 2014, and the statements of changes in equity, the statements of comprehensive income and the statements of cash flows for the years then ended, and a summary of significant accounting policies, and other explanatory information, as well as the balance sheet as of 1 July 2013.

Directors' responsibility for the Financial Statements
The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of financial statements that give a true and fair view 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the 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 the Company as at 30 June 2015 and 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other matters
This report, including the opinion, has been prepared for and only for you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 29 December 2015

CONSOLIDATED FINANCIAL STATEMENTS

	Note	30 June 2015 USD'000	30 June 2014 USD'000 Restated	1 July 2013 USD'000 Restated
ASSETS				
Cash and cash equivalents	6	906	1,311	4,502
Short-term receivables from related parties	20(c)	382	331	2,403
Trade and other receivables		4,697	4,797	13,572
Financial assets at fair value through profit or loss	8	712,567	768,956	717,141
Prepayments for acquisitions of investment properties	9	5,192	6,250	6,250
Total assets		**723,744**	**781,645**	**743,868**
EQUITY AND LIABILITIES				
EQUITY				
Share capital	10	3,246	3,246	3,246
Additional paid-in capital		722,064	722,064	722,064
Treasury shares	11	(213,283)	(165,939)	(113,639)
Retained earnings		206,637	212,009	123,026
Total equity		**718,664**	**771,380**	**734,697**
LIABILITIES				
Payables to related parties	12	5,036	10,246	1,198
Other payables		44	19	7,973
Total liabilities		5,080	10,265	9,171
Total equity and liabilities		723,744	781,645	743,868
Net asset value, USD per share	18(c)	**3.27**	**3.24**	**2.81**

The notes on pages 9 to 47 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

	Attributable to shareholders of the Company									
	Share capital USD'000	Additional paid-in capital USD'000	Treasury shares USD'000	Revaluation reserve USD'000	Available-for-sale financial assets reserve USD'000	Currency translation reserve USD'000	Retained earnings USD'000	Total USD'000	Non-controlling interests USD'000	Total equity USD'000
Balance at 1 July 2013 (consolidated)	**3,246**	**722,064**	**(113,639)**	**31,376**	**4,336**	**(18,763)**	**123,823**	**752,443**	**1,089**	**753,532**
Restatement adjustments	–	–	–	(31,376)	(4,336)	18,763	(797)	**(17,746)**	(1,089)	**(18,835)**
Balance at 1 July 2013 (restated)	**3,246**	**722,064**	**(113,639)**	**–**	**–**	**–**	**123,026**	**734,697**	**–**	**734,697**
Profit for the year (restated)	–	–	–	–	–	–	88,983	**88,983**	–	**88,983**
Total comprehensive income (restated)	**–**	**–**	**–**	**–**	**–**	**–**	**88,983**	**88,983**	**–**	**88,983**
Transactions with owners										
Shares repurchased (Note 11)	–	–	(52,300)	–	–	–	–	**(52,300)**	–	**(52,300)**
Balance at 30 June 2014 (restated)	**3,246**	**722,064**	**(165,939)**	**–**	**–**	**–**	**212,009**	**771,380**	**–**	**771,380**
Balance at 1 July 2014 (consolidated)	**3,246**	**722,064**	**(165,939)**	**33,281**	**–**	**(19,186)**	**205,489**	**778,955**	**849**	**779,804**
Restatement adjustments	–	–	–	(33,281)	–	19,186	6,520	(7,575)	(849)	(8,424)
Balance at 1 July 2014 (restated)	**3,246**	**722,064**	**(165,939)**	**–**	**–**	**–**	**212,009**	**771,380**	**–**	**771,380**
Loss for the year	–	–	–	–	–	–	(5,372)	(5,372)	–	(5,372)
Total comprehensive loss	**–**	**–**	**–**	**–**	**–**	**–**	**(5,372)**	**(5,372)**	**–**	**(5,372)**
Transactions with owners										
Shares repurchased (Note 11)	–	–	(47,344)	–	–	–	–	(47,344)	–	(47,344)
Balance at 30 June 2015	**3,246**	**722,064**	**(213,283)**	**–**	**–**	**–**	**206,637**	**718,664**	**–**	**718,664**

The notes on pages 9 to 47 are an integral part of these financial statements.

	Note	Year ended 30 June 2015 USD'000	Year ended 30 June 2014 USD'000 Restated
Dividend income (*)	13	69,197	70,926
Net (losses)/gains on financial assets at fair value through profit or loss (**)	14	(56,389)	51,815
General and administration expenses	15	(17,504)	(22,527)
Other income		382	369
Impairment losses	16	(1,058)	(11,600)
Operating (loss)/profit		**(5,372)**	**88,983**
(Loss)/profit before tax		**(5,372)**	**88,983**
Corporate income tax	17	–	–
(Loss)/profit for the year		**(5,372)**	**88,983**
(Loss)/earnings per share – basic and diluted (USD per share)	**18(a),(b)**	**(0.02)**	**0.36**
Total comprehensive (loss)/income for the year		**(5,372)**	**88,983**

	Year ended 30 June 2015 USD'000	Year ended 30 June 2014 USD'000
(*) Dividend income includes:		
– Dividend income from a subsidiary used to pay for the Company's share repurchases (Note 13)	47,344	52,300
– Dividend income from a subsidiary used to pay for the Company's operating expenses (Note 13)	21,853	18,626
(**) Net (losses)/gains on financial assets at fair value through profit or loss include:		
– Reduction in fair value of a subsidiary due to payments for shares repurchases on the Company's behalf (Note 14)	(47,344)	(52,300)
– Reduction in fair value of a subsidiary due to payment for the Company's operating expenses (Note 14)	(21,853)	(18,626)

The notes on pages 9 to 47 are an integral part of these financial statements.

	Note	Year ended 30 June 2015 USD'000	Year ended 30 June 2014 USD'000 Restated
Operating activities			
(Loss)/profit before tax		(5,372)	88,983
Adjustment for:			
Dividend income		(69,197)	(70,926)
Unrealised gains/(losses) on financial assets at fair value through profit or loss	14	56,503	(51,815)
Impairment losses	16	1,058	11,600
		(17,008)	**(22,158)**
Change in financial assets at fair value through profit or loss		(114)	–
Change in trade receivables and other assets		49	(753)
Change in trade payables and other liabilities		(5,185)	1,094
Dividend receipts		21,853	18,626
Net cash outflow from operating activities		**(405)**	**(3,191)**
Net change in cash and cash equivalents for the year		(405)	(3,191)
Cash and cash equivalents at the beginning of the year	6	1,311	4,502
Cash and cash equivalents at the end of the year	6	**906**	**1,311**

The statement of cash flows does not include payments made for share repurchases of USD47.3 million (year ended 30 June 2014: USD52.3 million) because these payments were made by a subsidiary of the Company.

The notes on pages 9 to 47 are an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

VinaCapital Vietnam Opportunity Fund Limited ("the Company") is a limited liability company incorporated in the Cayman Islands. The registered office of the Company is PO Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands. The Company's primary objective is to undertake various forms of investment primarily in Vietnam, but it may also invest in Cambodia, Laos and Southern China. The Company is quoted on the AIM market of the London Stock Exchange under the ticker symbol VOF.

The Company does not have a fixed life but the Company's Admission Document to the AIM market of the London Stock Exchange states that the Board considers it desirable that shareholders should have the opportunity to review the future of the Company at appropriate intervals. Accordingly, the Board intends that a special resolution will be proposed every fifth year that the Company ceases to continue as presently constituted. If the resolution is not passed, the Company will continue to operate. If the resolution is passed, the Directors will be required to formulate proposals to be put to shareholders to reorganise, unitise or reconstruct the Company or for the Company to be wound up. The Board tabled such a special resolution on 22 July 2013 and it was not passed, allowing the Company to continue as presently constituted for another five years.

The financial statements for the year ended 30 June 2015 were approved for issue by the Board on 29 December 2015.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with IFRS as issued by the IASB. They have been prepared using the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, and financial liabilities at fair value through profit or loss. The financial statements have been prepared on a going concern basis.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires judgement to be exercised in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Changes in accounting policy and disclosures

a) *Changes in accounting policy*

The Company has adopted the "Investment Entities" amendments to IFRS 10, "Consolidated financial statements". The amendments define an investment entity and introduce an exception from the consolidation requirements for investment entities. On adoption, the Company has determined that it meets the definition of an investment entity (see Note 3.1 below). As a result, it has changed its accounting policy with respect to its investments in subsidiaries. The Company's subsidiaries, which were previously consolidated, are now accounted for at fair value through profit or loss. This change in accounting policy has been applied retrospectively in accordance with the transition provision of IFRS 10 and the amendments to IFRS 10. The impact of the change has been disclosed in Note 2.15 below.

- The Company has adopted amendments to IFRS 12, "Disclosure of interests in other entities", which introduce new disclosure requirements related to investment entities. Required disclosures are presented in Note 5.

- IAS 27 (revised 2011), "Separate financial statements" and amendments to IAS 27 have been adopted by the Company. The standard prescribes the accounting and disclosure requirements when an entity prepares separate financial statements. The amendments require an investment entity as defined in IFRS 10 to present separate financial statements as its only financial statements in the case where it measures all of its subsidiaries at fair value through profit or loss and to disclose that fact.

- The Company has opted to value all of its investments in associates at fair value in accordance with IAS 28 (revised 2011), "Investments in associates and joint ventures". As a result, the Company has ceased the application of equity accounting to its investments in associates. It now classifies its investments in associates as financial assets at fair value through profit or loss. The Company has applied this change in accounting policy retrospectively in accordance with IAS 8, "Accounting policies, changes in accounting estimates and errors".

- The Company has selected to present its balance sheet in order of liquidity as the Board believes that such presentation format is more relevant.

b) *New and amended standards adopted by the Company*

The Company has applied the following standards and amendments for the first time for the year ended 30 June 2015:

- Annual improvements to IFRSs 2010-2012 cycle and 2011-2013 cycle, and

- Annual improvements to IFRSs 2012-2014 cycle

The adoption of these amendments did not have any impact on the current year or any prior period and is not likely to affect future periods.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Changes in accounting policy and disclosures *(continued)*

c) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods and have not been early adopted by the Company. The Company's assessment of the impact of these new standards and interpretations is set out below.

IFRS 9, 'Financial instruments', addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In July 2014, the IASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard. The Company is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting year ending 30 June 2019.

IFRS 15, 'Revenue from contracts with customers', The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application (e.g. 1 January 2017) without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application. The Company believes that it is unlikely that IFRS 15 will have any significant impact as most of the Company's revenues are excluded from the scope of this standard.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.3 Subsidiaries and associates

As a result of the adoption of the amendments to IFRS 10 and the fair value option under IAS 28, the Company has changed its accounting policy with respect to its investments in subsidiaries and associates. Its subsidiaries and associates which were previously consolidated or equity accounted, are now accounted for at fair value through profit and loss. At the date of initial application of IFRS 10, the Company measured these investments at fair value through profit or loss as if it had done so since its establishment. As part of the required retrospective application of those changes, the Company adjusted retained earnings at the beginning of the immediately preceding period for any difference between:

a) the previous carrying amount of the investments; and

b) the fair value of the Company's investments in subsidiaries and associates.

The cumulative amount of any fair value adjustments previously recognised in other comprehensive income was transferred to retained earnings at the beginning of the period immediately preceding the date of initial application.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3 Subsidiaries and associates *(continued)*

At the end of each half of the financial year, the fair values of a selection of investments in subsidiaries and associates are assessed such that the fair values of all material investments in subsidiaries and associates are assessed at least once each financial year. The fair values of these investments are estimated by a qualified independent professional services firm. The valuations by this professional services firm are prepared using a number of approaches such as adjusted net asset valuations, discounted cash flows, income-related multiples and price-to-book ratio. In cases where the underlying investments of a subsidiary or associate are real estate projects or hotels, the independent valuer determines their fair value based on valuations by independent professional appraiser as set out in Note 3.2. These estimated fair values are used by the independent valuer as the primary basis for estimating each subsidiary's or associate's fair value.

Any gain or loss arising from a change in the fair value of investments in subsidiaries and associates is recognised in the statement of comprehensive income.

2.4 Foreign currency translation

a) *Functional and presentation currency*

The functional currency of the Company is the United States dollar ("USD"). The Company's financial statements are presented in USD.

b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction. Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.5 Financial assets

2.5.1 Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or are designated to be carried at fair value through profit or loss at inception. Financial assets at fair value through profit or loss held by the Company comprise listed and unlisted securities, investments in subsidiaries and associates and bonds.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's loans and receivables comprise "Trade and other receivables" and "Receivables from related parties" in the balance sheet.

2.5.2 Recognition, de-recognition and measurement

Purchases or sales of financial assets are recognised on the date on which the Company commits to purchase or sell the asset.

Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

If the investments do not have a quoted market price in an active market and whose fair value cannot be reliably measured, such investments shall be measured at cost, less provision for impairment.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the statement of comprehensive income within "net gains/(losses) on financial assets at fair value through profit or loss" in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income when the Company's right to receive payments is established.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.6 Prepayments for acquisition of investment properties

These represent prepayments made by the Company to investment/property vendors for land compensation and other related costs, and professional fees directly attributed to the projects, where the final transfer of the investment property is pending the approval of the relevant authorities and/or is subject to either the Company or the vendor completing certain performance conditions set out in agreements. Such prepayments are measured initially at cost until such time as the approval is obtained or conditions are met, at which point they are transferred to appropriate investment accounts.

2.7 Impairment of assets

(a) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(b) Impairment of financial assets at amortised cost

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For the loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in statement of comprehensive income. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of comprehensive income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.8 Trade receivables

Trade receivables are amounts from sales of investments in the ordinary course of business.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.9 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.10 Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of ordinary shares that have been issued. Additional paid-in capital includes any premiums received on the initial issuance of the share capital. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Any transaction costs associated with the issuing of ordinary shares are deducted from additional paid-in capital, net of any related income tax benefits.

2.11 Treasury shares

Where the Company purchases its equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the treasury shares are cancelled or reissued.

Where such treasury shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

2.12 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.13 Revenue recognition

The Company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company's activities, as described below.

(a) Interest income

Interest income is recognised using the effective interest method. When a loan receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan receivables is recognised using the original effective interest rate.

(b) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.14 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Enterprises and individuals that directly, or indirectly through one or more intermediary, control, or are controlled by, or under common control with, the Company, including, subsidiaries and fellow subsidiaries are related parties of the Company. Associates are individuals owning directly, or indirectly, an interest in the voting power of the Company that gives them significant influence over the entity, key management personnel, including directors and officers of the Company, the Investment Manager and their close family members. In considering related party relationships, attention is directed to the substance of the relationship, and not merely the legal form.

2.15 Impacts of changes in accounting policies

As a result of the changes in the Company's accounting policies, financial statements for prior periods were restated. The Company changed from preparing consolidated financial statements to issuing separate financial statements with its investments in subsidiaries and associates classified as financial assets at fair value through profit or loss because as an investment entity it substantially measures and evaluates the performance of its investments on a fair value basis. The Company has opted to present the balance sheet in order of liquidity as opposed to using the current and non-current classifications. The following tables show the adjustments recognised for each individual line item.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.15 Impacts of changes in accounting policies *(continued)*

Balance sheet as at 1 July 2013

	1 July 2013 USD'000 (Consolidated)	Adjustments USD'000	1 July 2013 USD'000 (Restated)
Assets			
Non-current			
Plant and equipment	3,093	(3,093)	–
Investment properties	3,722	(3,722)	–
Investments in associates	182,090	(182,090)	–
Prepayments for acquisition of investment properties	8,239	(1,989)	6,250
Financial assets at fair value through profit or loss	4,697	183,718	188,415
Available-for-sale financial assets	5,784	(5,784)	–
Long-term loan to an associate	1,325	(1,325)	–
Other non-current assets	207	(207)	–
Total non-current assets	**209,157**	**(14,492)**	**194,665**
Current			
Inventories	7,413	(7,413)	–
Trade and other receivables	17,918	(4,346)	13,572
Short-term loans to related parties	7,501	(7,501)	–
Short-term receivables from related parties	–	2,403	2,403
Financial assets at fair value through profit or loss	467,762	60,964	528,726
Other financial assets	8,700	(8,700)	–
Cash and cash equivalents	53,392	(48,890)	4,502
Total current assets	**562,686**	**(13,483)**	**549,203**
Total assets	**771,843**	**(27,975)**	**743,868**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.15 Impacts of changes in accounting policies *(continued)*

Balance sheet as at 1 July 2013 *(continued)*

	1 July 2013 USD'000 (Consolidated)	Adjustments USD'000	1 July 2013 USD'000 (Restated)
Equity and liabilities			
Equity			
Equity attributable to shareholders of the Company			
Share capital	3,246	–	3,246
Additional paid-in capital	722,064	–	722,064
Treasury shares	(113,639)	–	(113,639)
Revaluation reserve	31,376	(31,376)	–
Available-for-sale financial assets	4,336	(4,336)	–
Translation reserve	(18,763)	18,763	–
Retained earnings	123,823	(797)	123,026
Total equity attributable to shareholders of the Company	**752,443**	**(17,746)**	**734,697**
Non-controlling interests	**1,089**	**(1,089)**	**–**
Total equity	**753,532**	**(18,835)**	**734,697**
Liabilities			
Non-current			
Other long-term liabilities	236	(236)	–
Total non-current liabilities	**236**	**(236)**	**–**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.15 Impacts of changes in accounting policies *(continued)*

Balance sheet as at 1 July 2013 *(continued)*

	1 July 2013 USD'000 (Consolidated)	Adjustments USD'000	1 July 2013 USD'000 (Restated)
Current			
Short-term borrowings	2,261	(2,261)	–
Trade and other payables	13,658	(5,685)	7,973
Payables to related parties	2,156	(958)	1,198
Total current liabilities	**18,075**	**(8,904)**	**9,171**
Total liabilities	**18,311**	**(9,140)**	**9,171**
Total equity and liabilities	**771,843**	**(27,975)**	**743,868**
Net asset value, USD per share attributable to shareholders of the Company	**2.88**	**(0.07)**	**2.81**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.15 Impacts of changes in accounting policies *(continued)*

Balance sheet as at 30 June 2014

	30 June 2014 USD'000 (Consolidated)	Adjustments USD'000	30 June 2014 USD'000 (Restated)
Assets			
Non-current			
Plant and equipment	3,114	(3,114)	–
Investment properties	4,175	(4,175)	–
Investments in associates	169,505	(169,505)	–
Prepayments for acquisition of investment properties	7,895	(1,645)	6,250
Financial assets at fair value through profit or loss	4,697	184,952	189,649
Available-for-sale financial assets	6,033	(6,033)	–
Other non-current assets	792	(792)	–
Total non-current assets	**196,211**	**(312)**	**195,899**
Current			
Inventories	7,216	(7,216)	–
Trade and other receivables	14,515	(9,718)	4,797
Short-term loans to related parties	5,235	(5,235)	–
Short-term receivables from related parties	–	331	331
Financial assets at fair value through profit or loss	552,339	26,968	579,307
Other financial assets	4,695	(4,695)	–
Cash and cash equivalents	21,551	(20,240)	1,311
Total current assets	**605,551**	**(19,805)**	**585,746**
Assets classified as held for sale	3,726	(3,726)	–
Total assets	**805,488**	**(23,843)**	**781,645**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.15 Impacts of changes in accounting policies *(continued)*

Balance sheet as at 30 June 2014 *(continued)*

	30 June 2014 USD'000 (Consolidated)	Adjustments USD'000	30 June 2014 USD'000 (Restated)
Equity and liabilities			
Equity			
Equity attributable to shareholders of the Company			
Share capital	3,246	–	3,246
Additional paid-in capital	722,064	–	722,064
Treasury shares	(165,939)	–	(165,939)
Revaluation reserve	33,281	(33,281)	–
Translation reserve	(19,186)	19,186	–
Retained earnings	205,489	6,520	212,009
Total equity attributable to shareholders of the Company	**778,955**	**(7,575)**	**771,380**
Non-controlling interests	**849**	**(849)**	**–**
Total equity	**779,804**	**(8,424)**	**771,380**
Liabilities			
Non-current			
Other long-term liabilities	189	(189)	–
Total non-current liabilities	**189**	**(189)**	**–**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.15 Impacts of changes in accounting policies *(continued)*

Balance sheet as at 30 June 2014 *(continued)*

	30 June 2014 USD'000 (Consolidated)	Adjustments USD'000	30 June 2014 USD'000 (Restated)
Current			
Short-term borrowings	7,839	(7,839)	–
Trade and other payables	4,566	(4,547)	19
Payables to related parties	13,090	(2,844)	10,246
Total current liabilities	**25,495**	**(15,230)**	**10,265**
Total liabilities	**25,684**	**(15,419)**	**10,265**
Total equity and liabilities	**805,488**	**(23,843)**	**781,645**
Net asset value, USD per share attributable to shareholders of the Company	**3.27**	**(0.03)**	**3.24**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.15 Impacts of changes in accounting policies *(continued)*

Statement of income for the year ended 30 June 2014

	Year ended		
	30 June 2014 USD'000 (Consolidated)	**Adjustments USD'000**	**30 June 2014 USD'000 (Restated)**
Revenue	11,445	(11,445)	–
Cost of sales	(8,377)	8,377	–
Gross profit	**3,068**	**(3,068)**	**–**
Dividend income	19,804	51,122	70,926
Interest income	1,951	(1,951)	–
Net gains/(losses) on financial assets at fair value through profit or loss	97,307	(45,492)	51,815
Fair value gain on investment properties	473	(473)	–
Selling, general and administration expenses	(26,864)	4,337	(22,527)
Other income	6,558	(6,189)	369
Other expenses	(14,725)	3,125	(11,600)
Operating profit	**87,572**	**1,411**	**88,983**
Finance income	224	(224)	–
Finance costs	(938)	938	–
Finance costs – net	(714)	714	–
Share of losses of associates, net of tax	(4,230)	4,230	–
	(4,944)	4,944	–
Profit before tax	**82,628**	**6,355**	**88,983**
Corporate income tax	(64)	64	–
Withholding taxes imposed on investment income	(1,137)	1,137	–
Profit for the year	**81,427**	**7,556**	**88,983**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.15 Impacts of changes in accounting policies *(continued)*

Statement of income for the year ended 30 June 2014 *(continued)*

	Year ended		
	30 June 2014 USD'000 (Consolidated)	**Adjustments USD'000**	**30 June 2014 USD'000 (Restated)**
Profit attributable to:			
Owners of the Company	81,666	7,317	88,983
Non-controlling interests	(239)	239	–
	81,427	7,556	88,983
Earnings per share			
– basic and diluted (USD per share)	0.33	0.03	0.36

Statement of comprehensive income for the year ended 30 June 2014

	Year ended		
	30 June 2014 USD'000 (Consolidated)	**Adjustments USD'000**	**30 June 2014 USD'000 (Restated)**
Profit for the year	**81,427**	**7,556**	**88,983**
Other comprehensive income:			
Items that will be reclassified subsequently to profit or loss			
– Disposal of available-for-sale financial assets	(4,336)	4,336	–
– Currency translation differences	(424)	424	–
	(4,760)	4,760	–
Items that will not be reclassified subsequently to profit or loss			
– Share of revaluation reserves of associates	1,905	(1,905)	–
Other comprehensive loss for the year	**(2,855)**	**2,855**	**–**
Total comprehensive income for the year	**78,572**	**10,411**	**88,983**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.15 Impacts of changes in accounting policies *(continued)*

Statement of cash flows for the year ended 30 June 2014

	Year ended		
	30 June 2014 USD'000 (Consolidated)	**Adjustments USD'000**	**30 June 2014 USD'000 (Restated)**
Operating activities			
Profit before tax	82,628	6,355	88,983
Adjustments for:			
– Asset depreciation and write off	674	(674)	–
– Dividend income	–	(70,926)	(70,926)
– Net gain from realisation of financial assets at fair value through profit or loss	(9,134)	9,134	–
– Unrealised gains/(losses) on financial assets at fair value through profit or loss	(88,173)	36,358	(51,815)
– Gain on disposal of available-for-sale financial assets	(4,336)	4,336	–
– Fair value gain of investment properties	(473)	473	–
– Gain on disposal of plant and equipment	(69)	69	–
– Share of losses of associates	4,230	(4,230)	–
– Unrealised losses from foreign exchange differences	76	(76)	–
– Interest expense	573	(573)	–
– Reversal of impairment losses	(249)	249	–
– Impairment of other assets	14,045	(2,445)	11,600
Loss before changes in working capital	**(208)**	**(21,950)**	**(22,158)**
Change in trade receivables and other assets	(3,184)	2,431	(753)
Change in inventories	197	(197)	–
Change in trade payables and other liabilities	9,041	(7,947)	1,094
Income taxes paid	(1,201)	1,201	–
Dividend receipts	–	18,626	18,626
Net cash inflow/(outflow) from operating activities	**4,645**	**(7,836)**	**(3,191)**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.15 Impacts of changes in accounting policies *(continued)*

Statement of cash flows for the year ended 30 June 2014 *(continued)*

		Year ended	
	30 June 2014 USD'000 (Consolidated)	**Adjustments USD'000**	**30 June 2014 USD'000 (Restated)**
Cash flows from investing activities			
Purchases of plant and equipment	(756)	756	–
Proceeds from disposal of plant and equipment	96	(96)	
Dividends received	2,837	(2,837)	–
Financial assets at fair value through profit or loss:			
– Acquisitions of investments	(76,216)	76,216	–
– Proceeds from disposals	88,947	(88,947)	–
Investments in associates:			
– Acquisitions of investments	(1,137)	1,137	–
– Proceeds from disposals	2,663	(2,663)	–
Assets classified as held for sale:			
– Proceeds from disposals	5,375	(5,375)	–
Term deposits at bank	(4,695)	4,695	–
Shareholder loans:			
– Advances made	(1,888)	1,888	–
– Repayments received	2,829	(2,829)	–
Net cash inflow from investing activities	**18,055**	**(18,055)**	**–**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.15 Impacts of changes in accounting policies *(continued)*

Statement of cash flows for the year ended 30 June 2014 *(continued)*

	30 June 2014 USD'000 (Consolidated)	Year ended Adjustments USD'000	30 June 2014 USD'000 (Restated)
Cash flows from financing activities			
Interest paid	(573)	573	–
Payments for shares repurchased	(59,545)	59,545	–
Loan proceeds from banks	25,798	(25,798)	–
Loan repayment to banks	(20,221)	20,221	–
Net cash outflow from financing activities	**(54,541)**	**54,541**	**–**
Net change in cash and cash equivalents for the year	**(31,841)**	**28,650**	**(3,191)**
Cash and cash equivalents at the beginning of the year	53,392	(48,890)	4,502
Cash and cash equivalents at the end of the year	**21,551**	**(20,240)**	**1,311**

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

When preparing the financial statements, the Board relies on a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements.

3.1 Eligibility to qualify as an investment entity

The Company has determined that it is an investment entity under the definition in IFRS 10 as it meets the following criteria:

a) the Company has obtained funds from investors for the purpose of providing those investors with investment management services;

b) the Company's business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and

c) the performance of investments made by the Company are substantially measured and evaluated on a fair value basis.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

3.1 Eligibility to qualify as an investment entity *(continued)*

The Company also has the typical characteristics of an investment entity:

- it holds more than one investment;
- it has more than one investor;
- it has investors that are not its related parties; and
- it has ownership interests in the form of equity or similar interests.

As a consequence, the Company does not consolidate its subsidiaries and accounts for them at fair value through profit or loss. See Note 2.15 above for information regarding the impact of the change in accounting policy.

3.2 Fair value of subsidiaries and associates and their underlying investments

As at 30 June 2015, 100% (30 June 2014 restated: 100%) of the financial assets at fair value through profit and loss relate to the Company's investments in subsidiaries and associates that have been fair valued in accordance with the policies set out above. The Company has investments in a number of subsidiaries and associates which were established to hold underlying investments. The shares of the subsidiaries and associates are not publicly traded; return of capital to the Company can only be made by divesting the underlying investments of the subsidiaries and associates. As a result, the carrying value of the subsidiaries and associates may not be indicative of the value ultimately realised on divestment.

The underlying investments include listed and unlisted securities, private equity and real estate assets. Where an active market exists (for example, for listed securities), the fair value of the subsidiary or associate reflects the asset value of the underlying holdings. Where no active market exists, valuation techniques are used.

As at 30 June 2015 and 30 June 2014, the Company classifies its investments in subsidiaries and associates as Level 3 within the fair value hierarchy, because they are held by subsidiaries and associates which are not publicly traded, even when the underlying assets are readily realisable.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

3.2 Fair value of subsidiaries and associates and their underlying investments *(continued)*

The fair value of the investments in subsidiaries and associates is primarily based on their net asset value. The estimated fair values provided by the qualified independent professional services firm are used by the Audit and Valuation Committee as the primary basis for estimating each investment's fair value for recommendation to the Board. Information about the significant judgements, estimates and assumptions that are used in the valuation of these investments is discussed below.

(a) Valuation of assets that are traded in an active market

The fair values of listed securities are based on quoted market prices at the close of trading on the reporting date. For unlisted securities which are traded in an active market, fair value is the average quoted prices at the close of trading obtained from a minimum sample of three reputable securities companies at the reporting date. Other relevant measurement bases are used if broker quotes are not available or if better and more reliable information is available.

(b) Valuation of assets that are not traded in an active market

The fair value of assets that are not traded in an active market (for example, private equities and real estate where market prices are not readily available) is determined by using valuation techniques. The independent valuer uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. Independent valuations are also obtained from appropriately qualified independent valuation firms. The valuations may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

(b.1) Valuation of investments in private equities

The Company's private equity holdings are fair valued using the discounted cash flow and market comparison methods. The projected future cash flows are driven by management's business strategies and goals and its assumptions of growth in gross domestic product ("GDP"), market demand, inflation, etc. the independent valuer uses discount rates that reflect the uncertainty of the amount and timing of the cash flows.

Depending on the development stage of a business and its associated risks, the independent valuer uses discount rates in the range from 25% to 30% and terminal growth rates of 5% to 6% (30 June 2014: 25% to 30% and 5% to 6%, respectively). As at 30 June 2015, if the discount rates had been higher/lower, the fair value of the Company's private equity investments would have gone down/up. In contrast, if the terminal growth rates had been higher/lower, these investments' fair value would have increased/decreased.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

3.2 Fair value of subsidiaries and associates and their underlying investments *(continued)*

(b) Valuation of assets that are not traded in an active market (continued)

(b.2) Valuation of real estate and hospitality investments

A number of the Company's real estate investments are co-invested with VinaLand Limited ("VNL"), another fund managed by the Investment Manager. In most cases, VNL holds a controlling stake in the joint venture companies and therefore exerts control over the investments. As both funds are managed by the same Investment Manager, each fund's investment objectives for each property are generally the same. However, given VNL has an investment objective of disposing of a portion of its portfolio, the Company would potentially be put in a position where sales may be triggered earlier than ideally desired. The Board reviews all such decisions and under normal circumstances is not prepared to assume the development risk that would result from continuing to hold an investment which VNL is selling. The Company also holds a stake in VNL itself and supports the board of that company in its objective of disposing of a portion of its assets.

The fair values of underlying real estate properties are based on valuations by independent professional valuers including CBRE, Savills, Jones Lang LaSalle, Cushman & Wakefield and HVS. These valuations are based on certain assumptions which are subject to uncertainty and might materially differ from the actual results of a sale. The estimated fair values provided by the independent professional real estate appraisers are used by the independent valuer as the primary basis for estimating fair value of the Company's subsidiaries and associates that hold these properties in accordance with accounting policies set out in section 2.3.

In conjunction with making its judgement for the fair value of the Company's underlying real estate and hospitality investments, the independent valuer considers information from a variety of sources including:

a. current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;

b. recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices;

c. recent developments and changes in laws and regulations that might affect zoning and/or the Company's ability to exercise its rights in respect to properties and therefore fully realise the estimated values of such properties;

d. discounted cash flow projections based on estimates of future cash flows, derived from the terms of external evidence such as current market rents, occupancy and room rates, and sales prices for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows; and

e. recent compensation prices made public by the local authority at the province where the property is located.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

3.2 Fair value of subsidiaries and associates and their underlying investments *(continued)*

(b) Valuation of assets that are not traded in an active market (continued)

(b.2) Valuation of real estate and hospitality investments (continued)

As at 30 June 2015, discount rates ranged from 15% to 21.5% (30 June 2014: 14.5% to 22%). As at the year end, if the discount rates had been higher/lower, the fair value of the Company's underlying real estate and hospitality investments would have been decreased/increased.

The average occupancy and room rates used in the discounted cash flow projections for the Company's hospitality investments are 69% and USD235 (30 June 2014: 67.5% and USD233, respectively). As at 30 June 2015, if the occupancy and room rates had been higher/lower, the fair value of the Company's underlying hospitality investments would have risen/gone down.

4 SEGMENT ANALYSIS

In identifying its operating segments, management follows the subsidiaries' sectors of investment which are based on internal management reporting information. The operating segments by investment portfolio include capital markets, real estate, hospitality, private equity and cash (including cash and cash equivalents, bonds, and short-term deposits) sectors.

Each of the operating segments are managed and monitored individually by the Investment Manager as each requires different resources and approaches. The Investment Manager assesses segment profit or loss using a measure of operating profit or loss from the underlying investment assets of the subsidiaries. Expenses and liabilities which are common to all segments are allocated based on each segment's share of total assets. There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

4 SEGMENT ANALYSIS *(continued)*

Segment information can be analysed as follows:

Statement of comprehensive income

	Capital markets USD'000	Real estate and hospitality USD'000	Private equity USD'000	Total USD'000
Year ended 30 June 2015				
Dividend income	69,197	–	–	69,197
Net gains/(losses) on financial assets at fair value through profit or loss	(62,114)	(222)	5,947	(56,389)
General and administration expenses (Note 15)	(13,698)	(2,999)	(807)	(17,504)
Other income	382	–	–	382
Impairment losses (Note 16)	–	(1,058)	–	(1,058)
(Loss)/profit before tax	**(6,233)**	**(4,279)**	**5,140**	**(5,372)**
Year ended 30 June 2014 (restated)				
Dividend income	70,926	–	–	70,926
Net gains/(losses) on financial assets at fair value through profit or loss	45,260	6,807	(252)	51,815
General and administration expenses (Note 15)	(19,528)	(2,860)	(139)	(22,527)
Other income	369	–	–	369
Impairment losses (Note 16)	–	–	(11,600)	(11,600)
Profit/(loss) before tax	**97,027**	**3,947**	**(11,991)**	**88,983**

4 SEGMENT ANALYSIS *(continued)*

Balance sheet

Assets

	Capital markets USD'000	Real estate and hospitality USD'000	Private equity USD'000	Cash USD'000	Total USD'000
As at 30 June 2015					
Cash and cash equivalents	–	–	–	906	906
Short-term receivables from related parties	382	–	–	–	382
Trade and other receivables	4,697	–	–	–	4,697
Financial assets at fair value through profit or loss	476,054	185,257	51,256	–	712,567
Prepayments for acquisitions of investment properties	–	5,192	–	–	5,192
Total assets	**481,133**	**190,449**	**51,256**	**906**	**723,744**
Payables to related parties	4,580	359	97	–	5,036
Other payables	44	–	–	–	44
Total liabilities	**4,624**	**359**	**97**	**–**	**5,080**
Net asset value	**476,509**	**190,090**	**51,159**	**906**	**718,664**

4 SEGMENT ANALYSIS *(continued)*

Assets *(continued)*

	Capital markets USD'000	Real estate and hospitality USD'000	Private equity USD'000	Cash USD'000	Total USD'000
As at 30 June 2014 (restated)					
Cash and cash equivalents	–	–	–	1,311	1,311
Short-term receivables from related parties	331	–	–	–	331
Trade and other receivables	4,797	–	–	–	4,797
Financial assets at fair value through profit or loss	573,985	185,647	9,324	–	768,956
Prepayments for acquisitions of investment properties	–	6,250	–	–	6,250
Total assets	**579,113**	**191,897**	**9,324**	**1,311**	**781,645**
Payables to related parties	9,929	303	14	–	10,246
Other payables	19	–	–	–	19
Total liabilities	**9,948**	**303**	**14**	**–**	**10,265**
Net asset value	**569,165**	**191,594**	**9,310**	**1,311**	**771,380**

5 INTERESTS IN SUBSIDIARIES AND ASSOCIATES

5.1 Subsidiaries

The Company had the following principal subsidiaries as at 30 June 2015 and 30 June 2014:

Name	Country of incorporation	As at 30 June 2015 % of Company interest	As at 30 June 2014 % of Company interest	Nature of the business
Vietnam Investment Property Holding Limited	BVI	100.00	100.00	Holding company for listed, unlisted securities and real estate
Vietnam Investment Property Limited	BVI	100.00	100.00	Holding company for listed, and unlisted securities
Vietnam Ventures Limited	BVI	100.00	100.00	Holding company for listed, unlisted securities and real estate
Vietnam Investments Limited	BVI	100.00	100.00	Holding company for listed, unlisted securities and real estate
Asia Value Investment Limited	BVI	100.00	100.00	Holding company for listed, and unlisted securities
Vietnam Master Holding 2 Limited	BVI	100.00	100.00	Holding company for listed securities
VOF Investment Limited	BVI	100.00	100.00	Holding company for listed, unlisted securities, real estate, hospitality and private equity
VOF PE Holding 5 Limited	BVI	100.00	100.00	Holding company for listed securities
Visaka Holdings Limited	BVI	100.00	100.00	Holding company for treasury shares
Portal Global Limited	BVI	100.00	100.00	Holding company for listed securities
Winstar Resources Limited	BVI	100.00	100.00	Holding company for listed securities
Howard Holding Pte. Limited	Singapore	100.00	100.00	Holding company for private equity
Fraser Investment Pte. Limited	Singapore	100.00	100.00	Holding company for listed securities
SE Asia Master Holding 7 Pte Limited	Singapore	100.00	100.00	Holding company for private equity
Alright Assets Limited	Singapore	100.00	100.00	Holding company for real estate
VTC Espero Limited	Singapore	100.00	100.00	Holding company for real estate
American Home Vietnam Co., Limited	Vietnam	100.00	100.00	Ceramic tiles
Yen Viet Joint Stock Company	Vietnam	65.00	65.00	Birdnest products
International Dairy Products Joint Stock Company	Vietnam	56.00	–	Dairy products

There is no legal restriction to the transfer of funds from the BVI or Singapore subsidiaries to the Company. Cash held in Vietnamese subsidiaries is subject to restrictions imposed by co-investors and the Vietnamese government and therefore it cannot be transferred out of Vietnam unless such restrictions are satisfied.

5 INTERESTS IN SUBSIDIARIES AND ASSOCIATES *(continued)*

5.1 Subsidiaries *(continued)*

The Company has commitments under investment certificates it has received for real estate projects jointly invested with VinaLand Limited, a related party under common management, and other agreements it has entered into, to acquire and develop, or make additional investments in investment properties and leasehold land in Vietnam. Further investments in many of these arrangements are at the Company's discretion

5.2 Associates

Name	Country of incorporation	As at 30.6.2015 % of Company interest	As at 30.6.2014 % of Company interest	Nature of the business
Pacific Alliance Land Limited	BVI	25.00	25.00	Holding company for real estate
Sunbird Group Limited	BVI	25.00	25.00	Holding company for real estate
VinaCapital Danang Resorts Limited	BVI	25.00	25.00	Holding company for real estate
Vietnam Property Holdings Limited	BVI	25.00	25.00	Holding company for real estate
Prosper Big Investment Limited	BVI	25.00	25.00	Holding company for real estate
VinaCapital Commercial Center Private Limited	Singapore	12.75	12.75	Holding company for real estate
Mega Assets Pte. Limited	Singapore	25.00	25.00	Holding company for real estate
SIH Real Estate Pte. Limited	Singapore	25.00	25.00	Holding company for real estate
VinaLand Eastern Limited	Singapore	25.00	25.00	Holding company for real estate

The Company has a 12.75% equity interest in VinaCapital Commercial Center Private Limited. The Company co-invested in this entity with VinaLand Limited ("VNL"), an investment company also managed by the Investment Manager. The Company considers this interest as an investment in an associate because, as part of the co-investment strategy, it can exert significant influence on the entity.

5 INTERESTS IN SUBSIDIARIES AND ASSOCIATES *(continued)*

5.3 Financial risks

The Company owns a number of subsidiaries for the purpose of holding investments in listed and unlisted securities, debt instruments, private equity and real estate. The Company, via these underlying investments, is subject to financial risks which are further disclosed in Note 22. The Investment Manager makes investment decisions after performing extensive due diligence on the underlying investments, their strategies, financial structure and the overall quality of management.

6 CASH AND CASH EQUIVALENTS

	30 June 2015 USD'000	30 June 2014 USD'000
Cash in banks	**906**	**1,311**

As at the balance sheet date, cash and cash equivalents were denominated in USD. Please refer to Note 8 for the balance of cash and cash equivalents held at the Company's subsidiaries.

7 FINANCIAL INSTRUMENTS BY CATEGORY

	Loans and receivables USD'000	Financial assets at fair value through profit or loss USD'000	Total USD'000
As at 30 June 2015			
Cash and cash equivalents	906	–	**906**
Short-term receivables from related parties	382	–	**382**
Trade and other receivables	4,697	–	**4,697**
Financial assets at fair value through profit or loss	–	712,567	**712,567**
Total	**5,985**	**712,567**	**718,552**
Financial assets denominated in:			
– USD	5,985	712,567	**718,552**
As at 30 June 2014 (restated)			
Cash and cash equivalents	1,311	–	1,311
Short-term receivables from related parties	331	–	331
Trade and other receivables	4,797	–	4,797
Financial assets at fair value through profit or loss	–	768,956	768,956
Total	**6,439**	**768,956**	**775,395**
Financial assets denominated in:			
– USD	6,439	768,956	**775,395**

All financial liabilities are short term in nature and their carrying values approximate their fair values. There are no financial liabilities that must be accounted for at fair value through profit or loss (30 June 2014: nil).

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit and loss comprise the Company's investments in subsidiaries and associates. The underlying assets and liabilities of the subsidiaries and associates carried at fair value are disclosed in the following table:

	30 June 2015 USD'000	30 June 2014 USD'000
In Vietnam:		
Cash and cash equivalents	22,752	19,810
Government bonds	–	19,241
Ordinary shares – listed	401,218	449,106
– unlisted and over-the-counter ("OTC")	63,810	83,992
Private equity	51,256	9,324
Real estate projects and hospitality	168,776	178,845
Other assets, net of liabilities	4,755	8,638
	712,567	**768,956**

The sectors of the major underlying investments held by in the Company's subsidiaries are as follows:

	30 June 2015 USD'000	30 June 2014 USD'000 Restated
Consumer goods	175,391	149,599
Construction	94,341	101,599
Financial services	52,991	54,542
Agriculture	22,056	94,251
Energy, minerals and petroleum	58,153	57,642
Pharmaceuticals	21,356	28,886
Real estate and hospitality	257,491	233,363
Government bonds	–	19,241

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS *(continued)*

As at 30 June 2015, an underlying holding, Vietnam Dairy Products Joint Stock Company, within financial assets at fair value through profit or loss amounted to 11% of the net asset value of the Company (30 June 2014: 12.2%). There were no other holdings that had a value exceeding 10% of the net asset value of Company as at 30 June 2015 or 30 June 2014.

9 PREPAYMENTS FOR ACQUISITIONS OF INVESTMENT PROPERTIES

	30 June 2015 USD'000	30 June 2014 USD'000 Restated
Historical costs	8,986	8,986
Less: cumulative allowance for impairment losses	(3,794)	(2,736)
	5,192	**6,250**

Movements in the prepayments and allowance for impairment during the year are as below:

	30 June 2015 USD'000	30 June 2014 USD'000 Restated
Opening balance	2,736	2,736
Charge for the year	1,058	–
Closing balance	**3,794**	**2,736**

Prepayments are made by the Company to property vendors where the final transfer of the properties is pending the approval of the relevant authorities and/or subject to either the Company or the vendor completing certain performance conditions set out in agreements.

As at 30 June 2015, due to market conditions, impairment allowances of USD1.1 million (30 June 2014: nil) have been taken against the prepayments for acquisitions of investments. The relevant recoverable amounts are fair values less costs to sell estimated by an independent professional qualified valuer who holds recognised relevant professional qualifications and has recent experience in the locations and categories of the properties for which the prepayments are made.

The valuations by the independent valuation company are prepared based upon direct comparison with sales of other similar properties in the area and the expected future discounted cash flows of each property using a yield that reflects the risks inherent therein and a forecast horizon of 6 years. The discount rate applied is 20% (30 June 2014: 20%). If the sale prices of similar properties had increased/decreased, it is expected that the recoverable amounts of these prepayments would have moved up/down accordingly. On the other hand, if discount rates had risen/dropped, their recoverable amounts would have decreased/increased as a result.

It is the Company's view that all of its prepayments for acquisitions of investments are in Level 3 of the fair value hierarchy.

10 SHARE CAPITAL

	30 June 2015		30 June 2014	
	Number of shares	USD'000	Number of shares	USD'000
Ordinary shares of USD0.01 each:				
Authorised	500,000,000	5,000	500,000,000	5,000
Issued and fully paid	324,610,259	3,246	324,610,259	3,246

11 TREASURY SHARES

	30 June 2015		30 June 2014	
	Number of shares	USD'000	Number of shares	USD'000
Opening balance (1 July 2014/1 July 2013)	86,355,265	165,939	63,233,988	113,639
Shares repurchased during the year	18,297,382	47,344	23,121,277	52,300
Closing balance	104,652,647	213,283	86,355,265	165,939

During the year, the Company purchased 18,297,382 of its ordinary shares (year ended 30 June 2014: 23,121,277 shares) for total cash consideration of USD47.3 million (year ended 30 June 2014: USD52.3 million). The consideration was paid with cash from one of the Company's subsidiaries. All purchases had been fully settled by the balance sheet dates. Please refer to Note 23 for the disclosure of cancellation of treasury shares subsequent to the year end.

12 PAYABLES TO RELATED PARTIES

	30 June 2015 USD'000	30 June 2014 USD'000 Restated
Management fees payable to the Investment Manager (Note 20)	938	1,013
Incentive fees payable to the Investment Manager (Note 20)	3,672	9,013
Other payables to related parties	426	220
	5,036	**10,246**

All payables to related parties are short-term in nature. Therefore, their carrying values are considered a reasonable approximation of their fair values.

13 DIVIDEND INCOME

	30 June 2015 USD'000	30 June 2014 USD'000 Restated
Dividend income from a subsidiary used to pay for the Company's share repurchases (*)	47,344	52,300
Dividend income from a subsidiary used to pay for the Company's operating expenses	21,853	18,626
	69,197	**70,926**

(*) The dividends income was settled by the subsidiary's payments on the Company's behalf for its share repurchases.

Since cash was transferred out of the subsidiary as settlement for the dividend income, the subsidiary's fair value decreased, thus resulting in losses on financial assets at fair value through profit or loss as described in Note 14.

14 NET (LOSSES)/GAINS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended	
	30 June 2015 USD'000	30 June 2014 USD'000 Restated
Financial assets at fair value through profit or loss:		
– Gains from the realisation of financial assets, net	114	–
– Unrealised (losses)/gains, net	(56,503)	51,815
Total	**(56,389)**	**51,815**

The above net (losses)/gains on financial assets at fair value through profit or loss includes dividend and interest income of USD16.3 million earned by the Company's subsidiaries during the year (year ended 30 June 2014: USD21.7 million). The net (losses)/gains also include total payments of USD47.3 million which a subsidiary paid for the Company's share repurchases made during the year (year ended 30 June 2014: USD52.3 million) as explained in Note 13. Also included in these (losses)/gains were this subsidiary's dividend payments of USD21.9 million to the Company to cover its operating expenses (year ended 30 June 2014: USD18.6 million).

15 GENERAL AND ADMINISTRATION EXPENSES AND ONGOING CHARGES

(a) General and administration expenses

	Year ended	
	30 June 2015 USD'000	**30 June 2014 USD'000 Restated**
Management fees (Note 20(a))	11,395	11,647
Incentive fees – capital market portfolio	3,672	9,013
Incentive fees – direct real estate portfolio	–	–
Directors' fees	377	364
Custodian, secretarial and other professional fees	1,508	1,178
Others	552	325
	17,504	**22,527**

(b) Total expenses ratio

	Year ended	
	30 June 2015 USD'000	**30 June 2014 USD'000**
Total expenses ratio	1.73%	1.72%
Incentive fees	0.49%	1.17%
Total expenses ratio including incentive fees	**2.22%**	**2.89%**

Total expenses ratio has been calculated in accordance with the Association of Investment Companies ("AIC") recommended methodology dated May 2012. It is the ratio of annualised ongoing charges over the average undiluted NAV of the Company during the year.

Expenses include management fees, directors' fees and expenses, recurring audit and tax services, custody and fund administration services, fund accounting services, secretarial services, registrars' fees, public relations fees, insurance premiums, regulatory fees and similar charges.

16 IMPAIRMENT LOSSES

	Year ended	
	30 June 2015 USD'000	**30 June 2014 USD'000 Restated**
Impairment on prepayments for acquisitions of investment properties	1,058	–
Impairment on other receivables	–	11,600
	1,058	**11,600**

During the year ended 30 June 2014, the Company made a full provision for a receivable from a third party which did not have the financial capability to settle the balance.

17 INCOME TAX EXPENSE

The Company is incorporated in the Cayman Islands. Under the current laws of the Cayman Islands, there are no income, state, corporation, capital gains or other taxes payable by the Company.

A number of subsidiaries are established in Vietnam and Singapore and are subject to corporate income tax in those countries. The income tax payable by these subsidiaries is included in their fair values as disclosed in the line item "Financial assets at fair value through profit or loss" on the balance sheet.

The relationship between the estimated income tax expense based on the applicable income tax rate of 0% and the tax expense actually recognised in the statement of comprehensive income can be reconciled as follows:

	Year ended	
	30 June 2015 USD'000	**30 June 2014 USD'000 Restated**
(Loss)/profit before tax	(5,372)	88,983
Applicable tax rate	0%	0%
Income tax	**–**	**–**

There is no deferred income tax.

18 (LOSS)/EARNINGS PER SHARE AND NET ASSET VALUE PER SHARE

(a) Basic

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit from operations of the Company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the Company and held as treasury shares (Note 11).

	Year ended	
	30 June 2015 USD'000	**30 June 2014 USD'000 Restated**
(Loss)/profit for the year (USD'000)	(5,372)	88,983
Weighted average number of ordinary shares in issue	228,742,512	246,934,372
Basic (loss)/earnings per share (USD per share)	(0.02)	0.36

(b) Diluted

Diluted (loss)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has no category of potentially dilutive ordinary shares. Therefore, diluted (loss)/earnings per share is equal to basic (loss)/earnings per share.

(c) Net asset value per share

Net asset value ("NAV") per share is calculated by dividing the net asset value of the Company by the number of outstanding ordinary shares in issue as at the reporting date excluding ordinary shares purchased by the Company and held as treasury shares (Note 11). NAV is determined as total assets less total liabilities.

	30 June 2015 USD'000	**30 June 2014 USD'000**
Net asset value (USD'000)	718,664	771,380
Number of outstanding ordinary shares on issue	219,957,612	238,254,994
Net asset value per share (USD/share)	3.27	3.24

19 DIRECTORS' REMUNERATION

The aggregate directors' fees for the year amounted to USD377,944 (year ended 30 June 2014 (restated): USD364,000), of which there was no outstanding amount payable at the reporting date (30 June 2014: nil).

The details of remuneration for each director are summarised below:

	Year ended	
	30 June 2015 USD	**30 June 2014 USD**
Steven Bates	95,000	95,000
Martin Adams	80,000	80,000
Thuy Bich Dam	80,000	19,000
Martin Glynn (*)	32,444	80,000
Michael Gray	90,000	90,000
Don Lam	–	–
	377,444	**364,000**

(*) Martin Glynn retired on 27 November 2014.

20 RELATED PARTIES

(a) Management fees

Under an amended and restated investment management agreement dated 24 June 2013 which became effective as of 1 July 2013 (the "Amended Management Agreement"), the Investment Manager receives a fee at an annual rate of 1.5% of the NAV, payable monthly in arrears.

Total management fees for the year amounted to USD11.4 million (the year ended 30 June 2014: USD11.6 million), with USD0.9 million (30 June 2014: USD1.0 million) in outstanding accrued fees due to the Investment Manager at the reporting date.

20 RELATED PARTIES *(continued)*

(b) Incentive fees

Under the Amended Management Agreement dated 24 June 2013 and the latest amendment dated 15 October 2014, from 1 July 2013, the incentive fee was changed to be 15% of the increase in NAV per share over a hurdle rate of 8% per annum. A catch up is no longer applied. Furthermore, for the purposes of calculating incentive fees, the Company's net assets are segregated into a Direct Real Estate Portfolio and a Capital Markets Portfolio. Shares bought back by the Company shall be treated as distributions, with the purchase amounts allocated to each portfolio subtracted from the relevant portfolio as an adjustment to the high water mark per share. A separate incentive fee is calculated for each portfolio so that for any balance sheet date it will be possible for an incentive fee to become payable in relation to one, both, or neither, portfolio depending upon the performance of each portfolio. However, the maximum incentive fee that can be paid in any given year in respect to a portfolio is 1.5% of the NAV of that portfolio at the balance sheet date. Any incentive fees earned in excess of the cap may be paid out in subsequent years providing that certain performance targets are met.

There has been a difference of interpretation between the Company and the Investment Manager about certain provisions of the investment management agreement relating to the incentive fee. The Board has taken independent legal advice on the matter. In order to avoid the costs and financial uncertainty of recourse to a legal solution, the Board and the Investment Manager agreed the total incentive fees for the year amounted to USD3.7 million (the year ended 30 June 2014: 9.0 million), with USD3.7 million (30 June 2014: USD9.0 million) in outstanding accrued fees due to the Investment Manager at the reporting date. Furthermore the Investment Manager and the Board have agreed that the investment management agreement will be modified to reduce the possibility of differences of interpretation in the future.

(c) Other balances with related parties

	30 June 2015 USD'000	30 June 2014 USD'000 Restated
Receivables from the Investment Manager on management fees rebate	382	331
Payables to the Investment Manager on expenses paid on behalf	427	220
Investments in other investment funds managed by the Investment Manager, held by a subsidiary of the Company:		
– Vietnam Infrastructure Limited	5,860	4,955
– VinaLand Limited	18,698	20,053
	24,558	**25,008**

21 COMMITMENTS

The Company's real estate associates have a broad range of commitments under investment licences which they have received for real estate projects jointly invested with VinaLand Limited, a related party under common management, and other agreements they have entered into, to acquire and develop, or make additional investments in investment properties and leasehold land in Vietnam. Further investments in many of these arrangements are at the Company's discretion.

22 FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

The Company has set up a number of subsidiaries as well as invested in some associates for the purpose of holding investments in listed and unlisted securities, debt instruments, private equity and real estate in Vietnam and overseas with the objective of achieving medium to long-term capital appreciation and providing investment income. The Company accounts for these subsidiaries and associates as financial assets at fair value through profit or loss. The fair values are therefore subject to a variety of financial risks: market risk (including currency risk, interest rate risk, and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potentially adverse effects on the Company's financial performance. The Company's risk management is coordinated by the Investment Manager who manages the distribution of the assets to achieve the investment objectives.

There have been no significant changes in the management of risk or in any risk management policies since the last balance sheet date.

Foreign exchange risk

The Company's subsidiaries' exposure to risk resulting from changes in currency exchange rates is moderate as, although transactions in Vietnam are settled in the VND, the value of the VND has in recent times been closely tied to that of the USD, the reporting currency.

Neither the Company nor any of its subsidiaries or associates hedges currency exposure, but cash may be held in either VND or USD. The Board and Investment Manager regularly review the costs and potential benefits of currency hedging. The Company did not enter into any currency hedges in the reporting period and it is considered unlikely that it will do so in the foreseeable future.

As at 30 June 2015 and 30 June 2014, the fair value of the Company's investments in subsidiaries and associates is exposed to foreign currency risk mainly because they hold financial assets and liabilities denominated in VND. As at the reporting date, had the VND weakened/strengthened by 5 per cent in relation to the USD, with all other variables held constant, the balance of financial assets held at fair value through profit or loss would have been lower/higher by USD33.2 million (30 June 2014 (restated): USD36.1 million).

22 FINANCIAL RISK MANAGEMENT *(continued)*

(a) Financial risk factors *(continued)*

Price risk
Price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer, or factors affecting all instruments traded in the market.

The Company's subsidiaries invest in listed and unlisted equity securities and are exposed to market price risk of these securities.

The majority of the Company's subsidiaries' equity investments are publicly traded on either of Vietnam's stock exchanges (HOSE or HNX).

All securities investments present a risk of loss of capital. This risk is managed through the careful selection of securities and other financial instruments within specified limits and by holding a diversified portfolio of listed and unlisted instruments. In addition, the performance of investments held by the Company is monitored by the Investment Manager on a monthly basis and reviewed by the Board of Directors on a quarterly basis.

If the prices of the securities had increased/decreased by 10 per cent, the Company's financial assets held at fair value through profit or loss would have been higher/lower by USD44 million (30 June 2014 (restated): USD50.8 million).

The Company's associates invest in a number of real estate projects. The fair values of the underlying properties have a direct impact on the fair values of these investments in associates. The Investment Manager closely monitors indicators that may affect property valuations. The Board of Directors is also highly involved through its quarterly reviews of these valuations.

If the fair values of real estate properties had gone up/down by 10 per cent, the Company's financial assets at fair value through profit and loss would have risen/dropped by USD10.7 million (30 June 2014 (restated): USD11.1 million).

Interest rate risk
The Company's subsidiaries' exposure to interest rate risk is related to interest bearing financial assets and financial liabilities. Cash and cash equivalents, and government bonds are subject to interest at fixed rates. They are exposed to fair value changes due to interest rate changes. The Company's subsidiaries had no significant financial liabilities with floating interest rates. As a result, the Company had limited exposure to cash flow and interest rate risk.

22 FINANCIAL RISK MANAGEMENT *(continued)*

(a) Financial risk factors *(continued)*

Liquidity risk

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

Listed securities held by the Company's subsidiaries are considered readily realisable, as the majority are listed on Vietnam's stock exchanges.

At year end, the Company's non-derivative financial liabilities have contractual maturities which are summarised in the table below. The amounts in the table are the contractual undiscounted cash flows.

	30 June 2015		30 June 2014	
	Within 12 months USD'000	Over 12 months USD'000	Within 12 months USD'000	Over 12 months USD'000
Payables to related parties (Note 12)	5,036	–	10,246	–
Other payables	44	–	19	–
	5,080	**–**	**10,265**	**–**

The Company manages its liquidity risk by investing predominantly in securities through its subsidiaries that it expects to be able to liquidate within 12 months or less. The following table analyse the expected liquidity of the underlying assets held by the Company and its subsidiaries and associates:

	30 June 2015		30 June 2014 Restated	
	Within 12 months USD'000	Over 12 months USD'000	Within 12 months USD'000	Over 12 months USD'000
Cash and cash equivalents	906	–	1,311	–
Short-term receivables from a related party	382	–	331	–
Trade and other receivables	–	4,697	100	4,697
Financial assets at fair value through profit or loss	545,627	166,940	585,291	183,665
	546,915	**171,637**	**587,033**	**188,362**

22 FINANCIAL RISK MANAGEMENT *(continued)*

(a) Financial risk factors *(continued)*

Capital management

The Company's capital management objectives are:

- To ensure the Company's ability to continue as a going concern
- To provide investors with an attractive level of investment income; and
- To preserve a potential capital growth level.

The Company considers the capital to be managed as equal to the net assets attributable to the equity shareholders of the parent. The Company is not subject to any externally imposed capital requirements. The Company has engaged the Investment Manager to allocate the net assets in such a way so as to generate a reasonable investment returns for its shareholders and to ensure that there is sufficient funding available for the Company to continue as a going concern.

Capital as at year end is summarised as follows:

	30 June 2015 USD'000	**30 June 2014 USD'000 Restated**
Net assets attributable to the equity shareholders of the parent	718,664	771,380

(b) Fair value estimation

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;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

There are no financial liabilities of the Company which were carried at fair value through profit or loss as at 30 June 2014 and 30 June 2015.

The level into which financial assets are classified is determined based on the lowest level of significant input to the fair value measurement.

22 FINANCIAL RISK MANAGEMENT *(continued)*

(b) Fair value estimation *(continued)*

Financial assets measured at fair value in the balance sheet are grouped into the following fair value hierarchy:

	Level 3 USD'000	Total USD'000
As at 30 June 2015		
Financial assets at fair value through profit or loss	712,567	**712,567**
As at 30 June 2014 (restated)		
Financial assets at fair value through profit or loss	768,956	**768,956**

All of the Company's financial assets at fair value through profit or loss are classified as Level 3, because they represent the Company's interests in private entities which hold the Company's underlying investments. If these investments were held at the Company level, they would be presented as follows:

	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
As at 30 June 2015				
Cash and cash equivalents	22,752	–	–	**22,752**
Ordinary shares – listed	391,459	9,759	–	**401,218**
Ordinary and preference shares – unlisted and OTC	–	30,438	33,372	**63,810**
Private equity	–	–	51,256	**51,256**
Real estate projects and hospitality	–	–	168,776	**168,776**
Other assets, net of liabilities	–	–	4,755	**4,755**
	414,211	40,197	258,159	**712,567**

22 FINANCIAL RISK MANAGEMENT *(continued)*

(b) Fair value estimation *(continued)*

	Level 1 USD'000 Restated	Level 2 USD'000 Restated	Level 3 USD'000 Restated	Total USD'000 Restated
As at 30 June 2014 (restated)				
Cash and cash equivalents	19,810	–	–	**19,810**
Government bonds	19,241	–	–	**19,241**
Ordinary shares – listed	444,507	4,599	–	**449,106**
Ordinary shares – unlisted and OTC	–	81,301	2,691	**83,992**
Private equity	–	–	9,324	**9,324**
Real estate projects and hospitality	–	–	178,845	**178,845**
Other assets, net of liabilities	–	–	8,638	**8,638**
	483,558	85,900	199,498	**768,956**

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include actively traded equities, government bonds and private equity investments which have committed prices at the balance sheet date. The Company does not adjust the quoted price for these instruments.

Financial instruments which trade in markets that are not considered to be active but are valued based on quoted market prices and dealer quotations are classified within Level 2. These include investments in unlisted equities and over-the-counter ("OTC") equities. As Level 2 investments include positions that are not traded in active markets, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. There are no significant adjustments that may result in a fair value measurement categorised within Level 3.

Private equities, real estate and hospitality investments, and other assets that do not have an active market are classified within Level 3. The Company uses valuation techniques to estimate the fair value of these assets based on significant unobservable inputs such as discount rates, occupancy and room rates, etc., as described in Note 3.2.

There were no transfers between the Levels (the year ended 30 June 2014: none).

22 FINANCIAL RISK MANAGEMENT *(continued)*

(b) Fair value estimation *(continued)*

Set out below is the sensitivity analysis on the significant unobservable inputs used in the valuation of Level 3 investments:

As at 30 June 2015

Level 3 – Range of unobservable inputs (probability-weighted average)

Segment	Valuation technique	Valuation (USD'000)	Discount rate	Cap rate	Terminal growth rate	Occupancy rate	Room rate (USD)	Selling price per unit (USD)	Sensitivity analysis on management's estimates				
Real estate	Direct comparisons	66,842	N/A	N/A	N/A	N/A	N/A	285 – 1,818			**Change in selling price per square meter**		
											-10%	0%	10%
											64,217	66,842	69,434
Real estate	Discounted cash flows	39,757	15% – 21.5%	8.5% – 9.0%	N/A	N/A	N/A	N/A			**Change in discount rate**		
											-1%	0%	1%
									Change in cap rate	-1%	47,855	41,872	36,383
										0%	45,547	39,757	34,575
										1%	43,597	37,971	32,935
Hospitality	Discounted cash flows	62,177	15.75%	10.75%	N/A	69%	235	N/A			**Change in discount rate**		
											-1%	0%	1%
									Change in cap rate	-1%	65,987	62,825	59,900
										0%	65,281	62,177	59,306
										1%	64,681	61,569	58,748
											Change in room rate		
											-1%	0%	1%
									Change in occupancy rate	-5%	57,320	57,386	57,453
										0%	62,105	62,177	62,249
										5%	66,891	66,968	67,044
Private equity	Discounted cash flows	51,256	25% – 30%	N/A	5% – 6%	N/A	N/A	N/A			**Change in discount rate**		
											-1%	0%	1%
									Terminal growth rate	-1%	52,263	48,364	44,832
										0%	55,560	51,256	47,427
										1%	59,235	54,516	50,288

22 FINANCIAL RISK MANAGEMENT *(continued)*

(b) Fair value estimation *(continued)*

As at 30 June 2014

Level 3 – Range of unobservable inputs (probability-weighted average)

Segment	Valuation technique	Valuation (USD'000)	Discount rate	Cap rate	Terminal growth rate	Occupancy rate	Room rate (USD)	Selling price per unit (USD)	Sensitivity analysis on management's estimates				
Real estate	Direct comparisons	58,822	N/A	N/A	N/A	N/A	N/A	22 – 1,818			**Change in selling price per square meter**		
											-10%	0%	10%
											54,799	58,822	63,439
Real estate	Discounted cash flows	52,824	14.5% – 22%	8.5% – 9.0%	N/A	N/A	N/A	22 – 486			**Change in discount rate**		
											-1%	0%	1%
									Change in cap rate	-1%	55,910	53,520	51,299
										0%	55,090	52,824	50,718
										1%	54,438	52,195	50,117
Hospitality	Discounted cash flows	67,199	15.75%	10.75%	N/A	67.5%	233	N/A			**Change in discount rate**		
											-1%	0%	1%
									Change in cap rate	-1%	71,038	70,328	69,627
										0%	67,885	67,199	66,557
										1%	64,934	64,305	63,716
											Change in room rate		
											-1%	0%	1%
									Change in occupancy rate	-5%	62,355	62,419	62,483
										0%	67,130	67,199	67,268
										5%	71,904	71,979	72,053
Private equity	Discounted cash flows	9,324	25% – 30%	N/A	5% – 6%	N/A	N/A	N/A			**Change in discount rate**		
											-1%	0%	1%
									Change in terminal growth rate	-1%	9,711	7,908	6,237
										0%	11,262	9,324	7,535
										1%	12,986	10,888	8,962

22 FINANCIAL RISK MANAGEMENT *(continued)*

(b) Fair value estimation *(continued)*

Specific valuation techniques used to value the Company's underlying investments include:

- Quoted market prices or dealer quotes;
- Use of discounted cash flow technique to present value the estimated future cash flows;
- Other techniques, such as the latest market transaction price.

Changes in Level 3 financial assets at fair value through profit or loss

The fair value of the Company's investments and associates are estimated using approaches as described in Note 3.2. As observable prices are not available for these investments, the Company classifies them as Level 3 fair values.

	30 June 2015 USD'000	**30 June 2014 USD'000 Restated**
Opening balance	768,956	717,141
Realised gains	114	–
Unrealised (losses)/gains	(56,503)	51,815
Closing balance	712,567	768,956
Total unrealised (losses)/gains for the year included in:		
– Profit or loss	(56,503)	51,815
– Other comprehensive income	–	–
	(56,503)	51,815

23 SUBSEQUENT EVENTS

(a) Migration of the Company from the Cayman Islands to Guernsey and Listing on to the Main Market

At the Extraordinary General Meeting (the "EGM") held on 27 October 2015, all of the resolutions set out in the Notice of EGM sent to Shareholders on 1 October 2015 were duly passed. The resolutions included proposals to improve the marketability of the ordinary shares of the Company, in order to make them attractive to a larger pool of potential investors. It was proposed that the Company de-register as an exempted limited liability company in the Cayman Islands, and re-register in Guernsey. At the same time, it was proposed that the Company move the trading venue for its shares from the AIM market to a premium listing of the Main Market of the London Stock Exchange.

(b) Cancellation of treasury shares

In anticipation of the plan to move the Company's trading platform from the AIM market to a premium listing on the Main Market of the London Stock Exchange, the Company cancelled all treasury shares held by Visaka Holdings Limited as at 30 September 2015. The Company has also cancelled all shares acquired in subsequent share buy-back transactions after that date. Following these cancellations, at the date of this report, the total number of ordinary shares in issue and total voting rights is 214,521,612.

After migration from the Cayman Islands to Guernsey and listing on to the Main Market, the Company will continue with its share buy-back program in accordance with the share buy-back program approved by the Board of the Company on 25 October 2011. Any shares purchased as part of the share buy-back activities will be held in treasury up to a limit of 14.99% of ordinary shares in issue.

SECTION 4

NOTICE OF 2015 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the VinaCapital Vietnam Opportunity Fund Limited will be held at 12 noon local time on 26 January 2016 at the offices of Northern Trust at Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL for the purpose of considering and, if thought fit, passing the following resolutions all of which will be proposed as ordinary resolutions:

Resolution 1 – ordinary resolution	To receive and adopt the Financial Statements for the year ended 30 June 2015, with the Reports of the Directors and Auditors thereon.
Resolution 2 – ordinary resolution	To re-elect Ms Thuy Dam as a Director of the Company.
Resolution 3 – ordinary resolution	To re-elect Mr Steven Bates as a Director of the Company.
Resolution 4 – ordinary resolution	To re-elect Mr Martin Adams as a Director of the Company.
Resolution 5 – ordinary resolution	To re-elect Mr Michael Gray as a Director of the Company.
Resolution 6 – ordinary resolution	To appoint PricewaterhouseCoopers CI LLP as independent auditor to the Company.
Resolution 7 – ordinary resolution	To authorise the Directors to determine the remuneration of the auditors

Dated: 29 December 2015

By Order of the Board

Registered Office:
PO Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Northern Trust International Fund Administration Services (Guernsey) Limited
Trafalgar Court,
Les Banques,
St Peter Port,
Guernsey
GY1 3QL

Company Secretary

NOTES:

1. *A shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him or her. A proxy need not be a member of the Company. A Form of Proxy is enclosed with this notice. Completion and return of the Form of Proxy will not preclude shareholders from attending or voting at the meeting, if they so wish.*

2. *To be valid, the Form of Proxy, together with the power of attorney or other authority, if any, under which it is executed (or a notarially certified copy of such power of attorney) must be deposited with:*

   Computershare Investor Services (Cayman) Limited
   c/o The Pavilions
   Bridgwater Road
   Bristol
   BS13 8AE
   United Kingdom

   Attn: Ashley Ford

   or

   by email Scanned PDF to: ashley.ford@computershare.co.je

   by no later than 5pm Greenwich Mean Time on Friday, 22 January 2016

3. *A holder of ordinary shares (or the beneficial title thereto) must first have his or her name entered on the Register (or where ordinary shares are held in Euroclear or Clearstream otherwise be beneficially entitled to such ordinary shares by) not later than 12 noon (Greenwich Mean Time) on Friday, 22 January 2016. Changes to entries in that Register after that time shall be disregarded in determining the rights of any holders to attend and vote at such meeting (or to provide voting instructions to the relevant Euroclear or Clearstream nominee).*

4. *Shareholders who wish to attend the AGM in person should follow normal Euroclear and/or Clearstream procedures.*

SECTION 5

INVESTING POLICY

Investment Objective
The Company adopted the following revised investment objective at an Extraordinary General Meeting on 27 October 2015:

The Company's objective is to achieve medium to long-term returns through investment either in Vietnam or in companies with a substantial majority of their assets, operations, revenues or income in, or derived from, Vietnam.

Investment Policy
The Company adopted the following revised investment policy at an Extraordinary General Meeting on 27 October 2015:

All of the Company's investments will be in Vietnam or in companies with at least 75 per cent of their assets, operations, revenues or income in, or derived from, Vietnam at the time of investment.

No single investment may exceed 20 per cent of the net asset value of the Company at the time of investment.

The Company may from time to time invest in other funds focused on Vietnam. This includes investments in other funds managed by the Investment Manager. Any investment or divestment of funds managed by the Investment Manager will be subject to prior approval by the Board. No more than 10 per cent, in aggregate, of the value of the Company's total assets may be invested in other listed closed-ended investment funds. The restriction on investment in other listed closed-ended investment funds does not apply to investments in closed-ended investment funds which themselves have published investment policies to invest no more than 15 per cent of their total assets in other listed closed-ended investment funds.

The Company may from time to time make co-investments alongside other investors in private equity, real estate or similar assets. This includes, but is not restricted to, co-investments alongside other funds managed by the Investment Manager.

The Company may gear its assets through borrowings which may vary substantially over time according to market conditions and any or all of the assets of the Company may be pledged as security for such borrowings. Borrowings will not exceed 10 per cent of the Company's total assets at the time that any debt is drawn down.

From time to time the Company may hold cash or low risk instruments such as government bonds or cash funds denominated in either Vietnamese Dong or US Dollars, either in Vietnam or outside Vietnam.

Valuation policy
The Net Asset Value and the Net Asset Value per Share is calculated (and rounded to two decimal places), in U.S. Dollars by the Administrator and Company Secretary (or such other person as the Directors may appoint for such purpose from time to time) on a monthly basis (or at such other times as the Investment Manager may determine but in any event at least quarterly).

The Net Asset Value shall be the value of all assets of the Company less the liabilities of the Company determined in accordance with the valuation guidelines adopted by the Directors from time to time.

Under current valuation guidelines adopted by the Directors, such values shall be determined as follows:

- the value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the Directors shall have determined that the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Directors may consider appropriate to reflect the true value thereof;
- the value of securities which are quoted or dealt in on any stock exchange (including any securities traded on an “over the counter market”) shall be based on the last traded prices on such stock exchange, or if there is more than one stock exchange on which the securities are traded or admitted for trading, that which is normally the principal stock exchange for such security, provided that any such securities which are not freely transferable, or which are not regularly traded, or which for any other reason are subject to limited marketability, shall be valued at a discount (the amount of such discount being determined by the Directors in their absolute discretion or in a manner so approved by the Directors);
- as regards unquoted securities:
  - unquoted investments will initially be valued at fair value, with any expenses relating to their acquisition expensed in the income statement;
  - a revaluation of unquoted investments to a value in excess of or below cost may be made in the circumstances provided by and in accordance with the International Private Equity and Venture Capital Valuation Guidelines, which are available at www.privateequityvaluation.com;
  - all other assets and liabilities shall be valued at their respective fair values as determined in good faith by the Directors and in accordance with generally accepted valuation principles and procedures;
- any value other than in U.S. Dollars shall be translated at any officially set exchange rate or appropriate spot market rate as the Directors deem appropriate in the circumstances having regard, inter alia, to any premium or discount which may be relevant and to costs of exchange; and
- real estate projects are initially valued at fair value, with any expenses relating to their acquisition expensed in the income statement. Once an investment licence is obtained, or by way of other arrangements the Company has a legal entitlement to an investment property, the investment property is revalued. The valuation process consists of obtaining two or more valuations for each property from independent third-party valuation companies. The valuations are reviewed by the Company’s audit and valuation committee. At the end of each quarter, the Investment Manager and its investment committee also reviews all real estate investments for possible impairment based on internal calculations.

If the Directors consider that any of the above bases of valuation are inappropriate in any particular case or generally, they may adopt such other valuation or valuation procedure as they consider reasonable. The Directors may delegate to the Investment Manager any of their discretions under the valuation guidelines.

The Administrator and Company Secretary will be reliant on information from the Directors, the Investment Manager or the administrator of the underlying subsidiaries of the Company. In the event that this information is delayed, this will impact the ability of the Administrator and Company Secretary to finalise the Net Asset Value calculation. The Administrator and Company Secretary shall not be liable for any loss suffered by the Company by reason of any error resulting from any inaccuracy in the information provided.

Details of each monthly Net Asset Value are announced by the Company through a Regulatory Information Service within ten days of each month end and published on the Company's website.

The calculation of the Net Asset Value will only be suspended in circumstances where the underlying data necessary to obtain a value for the investments of the Company cannot readily, or without undue expenditure, be obtained or in other circumstances (such as a system's failure of the Administrator and Company Secretary) which prevents the Company from making such calculations. Details of any suspension in making such calculations will be announced through a Regulatory Information Service as soon as practicable after any such suspension occurs.

HISTORICAL FINANCIAL INFORMATION

Years ended 30 June	2009	2010	2011	2012	2013(*)	2014(*)	2015
Statement of Income (USD'000)							
Total income from ordinary activities	29,075	134,263	(8,420)	54,556	120,239	111,510	12,132
Total expenses from ordinary activities	(25,869)	(29,047)	(27,214)	(25,424)	(29,515)	(22,527)	(17,504)
Operating profit before income tax	3,206	105,216	(35,634)	29,132	90,724	88,983	(5,372)
Income tax expense	(108)	(211)	(545)	(700)	(672)	–	–
Profit for the year	3,098	105,005	(36,179)	28,432	90,052	88,983	5,372
Minority interests	(3,684)	311	106	–	(202)	–	–
Profit attributable to ordinary equity holders	6,782	104,694	(36,285)	28,432	90,254	88,983	5,372
Statement of financial position (USD'000)							
Total assets	718,023	793,820	764,603	775,455	743,868	781,645	723,744
Total liabilities	36,111	11,319	12,697	9,810	9,171	10,265	5,080
Net assets	681,912	782,501	751,906	765,645	734,697	771,380	718,664
Share information							
Basic earnings per share (cents per share)	2.00	32.00	(11.00)	9.00	31.00	36.00	(2.00)
Share price as 30 June	1.43	1.40	1.57	1.50	2.13	2.50	2.50
Ordinary share capital (thousand shares)	324,610	324,610	324,610	312,536	261,376	238,255	219,958
Market capitalization at 30 June (USD'000)	462,569	455,428	509,313	468,803	556,731	595,638	549,894
Net asset value per ordinary share (USD)	2.10	2.41	2.32	2.45	2.81	3.24	3.27
Ratio							
Return on average ordinary shareholder's funds	1.1%	17.0%	(6.0%)	4.0%	14.8%	15.9%	1.0%
Total expense ratio (% of NAV)	2.24%	2.16%	2.13%	2.13%	2.13%	2.89%	2.22%

(*) IFRS 10A adjustments

NOTES

Notes

OVERVIEW AND ADVISERS

Fund size
USD718.7 million (NAV as of 30 June 2015)

Fund launch
30 September 2003

Term of fund
Five years and then subject to shareholder vote to discontinue

Fund domicile
Cayman Islands. On 27 October 2015 shareholders approved proposals to migrate the company to Guernsey. The migration is expected to be completed by the end of 2015.

Legal form
Exempted Company limited by shares

Structure
Single class of ordinary shares trading on the AIM market of the London Stock Exchange plc

Auditor
PricewaterhouseCoopers (Hong Kong) for the accounting year to 30 June 2015
PricewaterhouseCoopers (CI) for future accounting years

Nominated advisor
(Nomad) Grant Thornton Corporate Finance (UK)

Custodian
Standard Chartered Bank

Brokers
Numis Securities Limited
The London Stock Exchange
10 Paternoster Square
London EC4M 7LT
www.numiscorp.com

Lawyers
Wragge Lawrence Graham & Co LLP, Maples and Calder (Cayman Islands),
Carey Olsen (Channel Islands)

Base and incentive fee
Base fee of 1.5 per cent of NAV. Incentive fees are based on two separate pools of investments: direct real estate and all other investments. The incentive fee paid equates to 15 per cent of the increase in the NAV of each pool during the year over a hurdle of 8 per cent. The total amount of incentive fees paid in any one year is capped at 1.5 per cent of the pool's NAV.

Investment Manager
VinaCapital Investment Management Limited

Investment policy
Medium to long-term capital gains with some recurring income and short-term profit taking. Primary investment focus areas are: Privately negotiated equity investments; Undervalued/distressed assets; Privatisation of state-owned enterprises; Real estate; and Private placements into listed and OTC-traded companies.

Investment focus by geography
Greater Indochina comprising: Vietnam (minimum of 70 per cent), Cambodia, Laos, and southern China.

Registered office
PO Box 309 GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands is the registered office until the company migrates to Guernsey. Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL will be the registered office following the planned migration to Guernsey.

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