

**VIETNAM EQUITY HOLDING**
**Fundamentals**

Domicile	Cayman Islands
Denomination	EUR
NAV DEC 2007	EUR 2.39
IPO Date	November 28, 2007
Exchange	Frankfurt and XETRA
Fiscal Year End	December 31

**Investment Manager**

Saigon Asset Management (SAM)

**Security References**

Reuters	3MS:DE
Bloomberg	3MS.GR
ISIN	KYG936251043
German Security Code	A0M12V

**Service Providers**

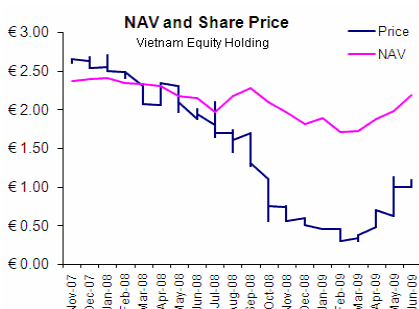
Custodian	Deutsche Bank
Administrator	Deutsche Bank
Legal Advisor	Reed Smith
Auditor	Grant Thornton

**Fees**

Management Fee	2% per annum
Performance Fee	20% of the total increase of NAV over hurdle rate of 8% with high water mark

**VEH Top Holdings**

Company	Type	% NAV
PMC	OTC	12.8%
FPT	Listed	12.3%
VNM	Listed	9.2%
DPM	Listed	7.7%
PVD	Listed	6.6%
STB	Listed	6%
VCB	Listed	5.1%
Sabeco	OTC	5%
VSH	Listed	4.7%
DIG	OTC	7.1%
Cash & Others Asset		12.1%
Others		11.4
<b>Total</b>		<b>100%</b>

**Share Price Performance**

**QUARTERLY UPDATE**
**PERIOD ENDED JUNE 30, 2009**
**Net Asset Value (NAV)**

In Q2 2009, Vietnam Equity Holding's (VEH) net asset value increased 27.4% compared to the prior quarter. Year to date, VEH's NAV increased 20.3%, compared to a 41.9% increase in the Vietnam Index. Since inception, VEH's NAV has decreased 6.6% compared to -58.3% of the index.

**Cash**

VEH acquired additional positions and performed a rebalancing of its portfolio. The cash was unchanged during the quarter; however as the NAV increased significantly, the cash as a percentage of total NAV decreased from 15% to 7.6%.

**Strategy**

We plan to reduce heavily weighted defensive positions and build positions in companies with stronger growth and continue rebalancing our portfolio accordingly.

**Market and Portfolio Update**

From the end of February to the middle of June, the VN index staged an impressive rally. Starting at the bottom of 235, HOSE more than doubled to 512 before profit taking set in driving the Index down to 448. This rally was important because volume was at an all time high. Latest Vietnam economic indicators are showing signs of recovery; VEH made new investments and rebalanced the portfolio accordingly. Below is an overview of our key investments:

**1. Phu My Bridge Corporation (PMC)**

The deck closure ceremony of Phu My Bridge was successfully held in May 2009. The project is on schedule to go into operation in September 2009. As part of the City's compensation for the Phu My Approach Road BT Project, PMC was officially assigned as the project owner of 2.1ha clear land plot nearby the bridge with a stunning view of the Saigon River and close to the newly developed middle-end Tan Thuan Dong residential area in District 7 of Ho Chi Minh City. SAM has been working closely with PMC and the city planner for the zoning and construction permit of the 2.1ha land in order to develop a mixed-use complex of retail, condominium and villas. This property is attractive due to its low land cost and the prospective completion of its under-construction access road.

**2. FPT Corporation (FPT)**

FPT is a new investment made in Q2 2009 following our new strategy to focus more on growth stocks. In 2008, FPT achieved impressive results as the company grew 22% to US\$1bn in revenues while net profit grew 19% year-on-year. System integration sector and internet services grew 49.7% and 44% year-on-year and gained 35% and 40% market share respectively. Software outsourcing business grew 43.9% and is currently the number one supplier in Vietnam. FPT's market capitalization of US\$550mn is among the largest on HOSE. The Company's Q1 2009 revenue and PBT achieved 115% and 29.2% respectively of 2009 projection.

**3. Vietnam Dairy Products Joint Stock Company (VNM)**

VNM is one of the largest HOSE listed companies with market capitalization of US\$900mn. With 37% market share, it is the leader in Vietnam's dairy industry. VNM is also a darling of foreign investors and thus it has reached the 49% foreign investment ceiling. VNM continued to deliver strong performance in Q2 2009 with revenue and profit before tax reaching 53% and 69% respectively of 2009 projection. VNM increased sales 27.5% compared to the same period last year. The company announced a 20% cash dividend payable on July 22 and the distribution in Q3 2009 of 1 new share for every share held.

**4. PetroVietnam Fertilizer and Chemicals Corporation (DPM)**

DPM continues to maintain its leadership position with 40% market share. The Company has secured the right to manage the Dam Ca Mau project for PetroVietnam, which is currently one of the three largest government projects. Dam Ca Mau is an urea producer with similar size as DPM, which together with DPM would control 80% of Vietnam's market by 2012. DPM's first half revenues and PBT reached 66% and 60% respectively of the Company's 2009 projection.

**VIETNAM EQUITY HOLDING**
**NAV Performance\***

Period	NAVPS (€)	Monthly Change	NAV (€)
Jul-08	1.97	-8.42%	42,818,803
Aug-08	2.17	10.21%	47,189,883
Sep-08	2.28	5.14%	49,616,947
Oct-08	2.09	-8.61%	45,345,167
Nov-08	1.97	-5.67%	42,775,744
Dec-08	1.81	-7.95%	39,377,007
Jan-09	1.89	4.41%	41,113,069
Feb-09	1.70	-9.76%	37,099,764
Mar-09	1.72	0.58%	37,315,194
Apr-09	1.88	9.41%	40,827,854
May-09	1.98	5.49%	43,070,285
Jun-09	2.19	10.36%	47,534,347

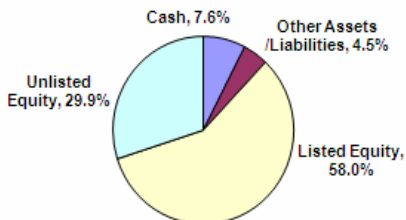
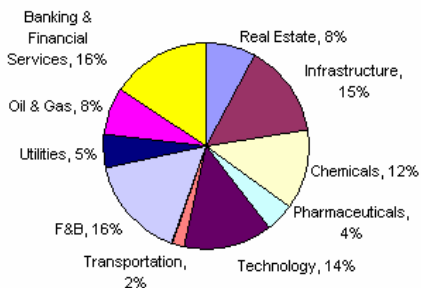
(\* unaudited for 2009)

Year	YTD2009*	2008	2m2007
Performance	20.4%	-24.1%	2.2%

(\* unaudited for 2009)

**Investment Statistics**

Number of Investments	14
Average Investment Size	€ 2.99mn

**VEH Portfolio**
**Asset Allocation**

**Portfolio By Sector**

**Contact**

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**QUARTERLY UPDATE**
**PERIOD ENDED JUNE 30, 2009**
**5. PetroVietnam Drilling and Well Services Joint Stock Company (PVD)**

Due to the oil price rebound in the first half 2009, exploration activity and utilization of drilling rigs in the region has improved in comparison with Q4 2008. Revenue and PBT achieved 40% and 56.5% respectively of 2009 plan. However, we also foresee a more difficult operating environment in 2009 for PVD due to new competitors entering the market and the volatility in oil prices. The Company's new rigs number 2 and 3 will be delivered in September and December 2009 respectively, which will help the Company's revenues going forward.

**6. Sacombank (STB)**

STB is one of HOSE top performers in this quarter. In 2009, STB plans 41% growth in total assets, 50% loan growth, and PBT growth of 47% compared to the 2008. In the first half of 2009, STB already achieved 56.5% of the year PBT forecast. Banks in Vietnam are not affected by the sub-prime crisis, and their balance sheets remain healthy. STB has an impressive NPL level of 0.71% for the first half of 2009.

**7. Vietcombank (VCB)**

VCB IPO'ed early 2008 and finally listed on HOSE on June 30, 2009. 90% of its equity is still owned by the State and less than 3% by foreign investors. VCB's market capitalization of US\$3.4bn is the biggest in the market; however it does not post a strong impact on VN Index because only 9.8% of total shares are listed. VCB is the 2nd largest banking group in terms of total assets, accounting for 15% of local banks' total assets. VCB is a market leader across the corporate banking segment, with a dominant market share of 27% in trade financing and international payments. It has developed first-in-class card services with 33% market-share in debit card issuance and 40% market-share in international credit card issuance. In the first half of 2009, VCB achieved 75% of the PBT projected for this year; however, its NPL increased to 4.5%.

**8. Saigon Beer-Alcohol-Beverage Corporation (Sabeco)**

Sabeco held 2009 annual shareholders meeting on July 18. In the meeting Sabeco confirmed that it will list on HOSE in the last quarter of 2009. Sabeco's revenues and PAT 2008 are US\$533mn and US\$51mn, achieving 90% and 125% of its 2008 plan respectively. Sabeco projected that its 2009 revenues and net profit would reach US\$750mn and US\$62mn respectively. For the first half of 2009, it reached 49% of 2009 forecast for both revenues and PAT.

**9. Vinh Son - Song Hinh Hydropower Joint Stock Company (VSH)**

VSH delivered solid performance in Q1 2009 with net profit reaching 28% growth compared to Q4 2008. It is estimated that VSH's PBT in the first 6 months of 2009 reached 80% of 2009 forecast. VSH will continue the construction of a power plant on the Sesan River with capacity of 220 MW (30% of the current capacity) at a total cost of US\$330mn, which is 30% of the current capacity and expected to be completed by 2014.

**10. Development Investment Construction Corporation ("DIC Group" or "DIG")**

DIG is one of the top real estate companies in southern Vietnam with a solid track record in real estate development and close relationships with governmental entities, especially Ministry of Construction and Peoples Committee of Vung Tau and Dong Nai Province. DIG has finished all requirements to be listed on HOSE in August 2009. It is projected that DIG's 2009 PAT will increase 67%, what would provide ample room for the share to rise after listing.

**VEH's News:**

Due to expansion, we have moved to 172 Hai Ba Trung Street, 12<sup>th</sup> Floor, District 1, Ho Chi Minh City, Vietnam. Our website, email addresses, phone and fax numbers remain unchanged

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