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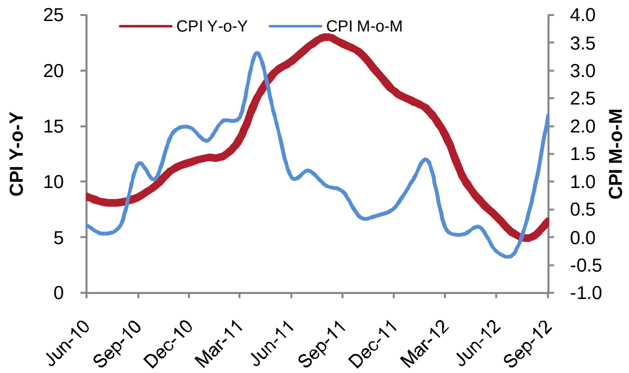
Vietnam Equity Holding (VEH) Quarterly Report — Q3 2012

Vietnam had a series of interesting developments during the third quarter. Chief among them was the arrest of one of the founders of Asia Commercial Bank (ACB), – Vietnam's largest private commercial bank – Nguyen Duc Kien, as well as several other banking executives at ACB and other institutions for "conducting illegal business". The short term effects of the arrest were to spread fear throughout the market, cause a bank run at ACB which had to be supported by the SBV until the public calmed down, and a stock market plunge of 10%, a fall from which the markets did not recover. There is speculation among many market participants that there are deeper meanings to these arrests and a great deal of time has been spent debating a wide range of possible theories that range from the takeover of Sacombank to a political struggle. As long-term investors in Vietnam, we do not believe that the debate on the reasons for Kien's arrest really matters because the arrest already has a net positive effect on the development of Vietnam. In the end, allegedly corrupt executives were removed from the market, sending a message to others that illegal activities will no longer be tolerated. We hope that this will be followed with some substantial reforms, primarily greater oversight and adherence to a stronger regulatory framework. Importantly, the public nature of the arrests has helped the debate about Vietnam's future spread to the general public, and it is clear that there is recognition of the current problems and exasperation with some of the current policies. Thus, in the long-term, Vietnam is better off by having this debate and we are confident that change is beginning, hopefully resulting in a more economically and politically balanced Vietnam.

Indicators	Sep-2012	YTD	Y-o-Y	2011
GDP Growth (%)	Q3: 5.4%		4.7%	5.9%
Inflation (%)	2.2%	5.1%	6.5%	18.1%
Exports ($bn)	$9.7	$83.8	18.9%	$96.2
Imports ($bn)	$9.8	$83.8	6.6%	$105.8
Trade Deficit ($bn)	$0.1	-$0.03	-100.5%	$9.5
Disbursed FDI ($bn)	$0.8	$8.1	1.2%	%11.0
VND/USD	20,900	-0.6	0.32%	21,036

Source: General Statistics Office of Vietnam (GSO), Vietcombank



In addition to the aforementioned events, Vietnam recorded a low inflation number at the end of the quarter (6.5% Y-o-Y), as well as low credit growth (2.35% YTD) and low GDP growth numbers at 5.4% in Q3, 4.7% YTD, though this quarter's GDP number shows continued improvement from Q1 at 4.0% and Q2 at 4.7%. Businesses continue to have difficulty finding credit since banks are currently deleveraging despite efforts from the government to boost credit growth. However, with sales down at most companies, one month of deflation and two of subdued-to-moderate inflation, demand throughout the economy has proven to be quite weak. The HSBC Purchasing Managers' Index ended the quarter at 49.2, indicating an improvement over June's result of 46.6, yet it has not moved above the magical number of 50 that implies improving business conditions. In relation to this low level of demand, there is another debate over the causes with many claiming that this is a direct result of the government's efforts to rein in inflation through high interest rates and restrictive monetary policy imposed last year. Others believe that past inflation has stressed the population's purchasing power to the point where it will take time for savings to build back up sufficiently for people to regain their spending confidence and that the lack of credit growth and the government's policies have little to do with the current situation. This debate has more relevance as it directly relates to the earnings of domestic companies, and we are increasingly convinced that the second opinion is closer to the truth.

With real estate prices continuing their fall, volume on the stock markets remaining very low despite how attractively most of the stocks are currently valued, and low corporate earnings, it seems that the only bright spot at the moment is gold. Simultaneous to increasing global gold prices, the domestic premium to global prices widened during the quarter. Part of this is due to the fact that rallying global gold prices convinced many Vietnamese to buy gold as an investment, but another reason would be the fact that the State Bank of Vietnam (SBV) has banned banks from the practices of accepting gold deposits and lending in gold by November 25th, 2012. Thus during the quarter, Vietnamese banks scrambled to buy enough gold to cover all customer withdrawals, pushing the domestic premium higher. As the banking system is already stressed from nonperforming loans and deleveraging efforts, the SBV is expected to extend the deadline for acquiring gold to give banks enough time to replenish their gold stocks, though this probably will not mitigate the large losses banks are already incurring by buying gold at such high prices.

At the end of the third quarter, statistics showed that Vietnam's economy had made some positive movement in an important area, exports. Exports through the third quarter are up 18.9% Y-o-Y, with exports from the FDI sector (foreign invested companies) up 34.6% Y-o-Y. This is in stark contrast to most other countries in the region which have seen slower exports and even trade deficits. Impressively, exports of electronics and computer equipment are up 77.3% while telephones and spare parts (mobile phones) are up 120.6%. Vietnam may not be taking market share of the production of electronic equipment from other countries yet, but it is clear that many companies are starting to seriously allocate resources to Vietnam to diversify manufacturing chains. The main motivation for this move is lower labor costs – by approximately 50% in comparison with China – though some geopolitical reasons have also been cited including the recent high tensions between China and Japan that are making Japanese manufacturers reconsider locations for their factories.

The macroeconomic situation of Vietnam continues to be uncertain with little improvement on work to reform and stabilize the financial sector that is laden with unconfirmed amounts of nonperforming loans. However, banks have apparently either learned their lessons from the past years or have found that their customers are already too risky to be candidates for further loans and are in the process of deleveraging, though this will take time. Vietnam continues to see improvement in the trade balance and this has also helped stabilize the currency which has maintained its strength throughout the year, in contrast with past years when 3%-10% devaluations were expected. The government has launched into discussions on which state-owned enterprises and subsidiaries should be divested or wound up and has arrested allegedly corrupt banking executives showing that it has the resolve to make some sacrifices. Now, we wait to see whether the government has the resolve to go beyond making sacrifices and towards making substantial economic reforms.

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Equity Market Overview

The Vietnamese stock markets were hit by a severe shock that exposed the extent of the problems in the financial system. The quick turn of sentiment in the markets was, in retrospect, somewhat irrational since the removal of a corrupt businessman and other similarly corrupt businessmen is actually a good thing. It became clear that the markets had not been expecting the government to take such a drastic action against a tycoon who they thought would be protected, and investors were certainly not expecting the arrests to continue and for there to be collateral damage at other banks and companies with several board members being forced to resign.

The Vietnam Index (VNI) ended the quarter with a loss of 8.4% in EUR terms after experiencing a sharp fall in August and trading more or less sideways for the rest of the quarter. Volume was generally low throughout the quarter, as is generally the case during the summer months, but especially after falling so far, so quickly. In July, some investors were getting optimistic on the direction of the VNI with foreign investors being slight net buyers and the market moving up slowly, as it generally does here at the beginning of a rally. However, domestic investors were already worried as rumors were beginning to circulate that there may be government action soon. Despite this expectation, investors were surprised by the government's decision to arrest bank executives at ACB as well as at other institutions and rumors began to circulate that this was the beginning of a wide crackdown, so much so that many executives at other institutions had to make themselves publicly visible to dispel any false rumors of their arrest.

Banking stocks, which are generally some of the largest in terms of market capitalization, led the downward trend during the quarter due to the instability that was displayed by the arrests. Many other large cap stocks that do not have much reliance on the financial sector and more on general consumers such as Vinamilk (VNM) and Petro Vietnam Fertilizer (DPM) were initially affected by the sell-off that followed the arrests but quickly recovered and served as effective defensive positions. The stock prices of these more fundamentally oriented companies continued to sustain the sideways movement of the VNI by counteracting the downward trend of the banking stocks.

Announcements of dividends and bonus stock offerings were also a significant driving factor behind investor sentiment during the quarter. Share prices of companies that announced attractive plans of offerings quickly rose and then maintained those gains. In particular, Vinamilk's share price rose 20% by the end of the quarter on announcements of a dividend and 2:1 bonus stock issuance and continued to rise strongly in the beginning of Q4, this after several months of the share price trading sideways.

Foreigners were net purchasers of stocks through the quarter, with buying especially active during August immediately following the announcement of Kien's arrest. Foreigners continued to take advantage of depressed valuations during September, though there was a definite fall in interest during that month, possibly attributable to press speculations surrounding Vietnam's possible need for a foreign bailout to recapitalize the banks. Nevertheless, foreigners have proven that they are quick to increase their holdings when the market is affected by investor sentiment rather than fundamental performance.

Corporate earnings were not spectacular for the majority of listed companies in Vietnam during Q3, with the consumer oriented large caps generally having the best results. In addition to stock price woes, banking and financial stocks mostly did not do well during the quarter due to need to increase provisions for bad loans and very restrained efforts to increase outstanding loans as the current preference is to reduce exposure.

The stock market has been observing short waves with extreme low liquidity for the last quarter and at the time this report is written. We expect earnings throughout the economy to pick up during Q4 as it is a historically more active quarter due to the coming holidays spurring trade and business, although not dramatically as we expect there to be particularly low growth this year. A rally in share prices is not expected until after the National Assembly meeting ends in November and even then, the capacity for a sustained rally is limited.

VN Index – Q2 and Q3

Source: Bloomberg

Foreign Investors Net Buy on HOSE		
Date	Volume (Mn Shares)	Value (US$ Mn)
Q3 2012	22.8	39.2
Sep – 2012	-3.0	6.7
Aug – 2012	20.1	28.6
Jul – 2012	5.8	4.0
Q2 2012	-47.2	-60.5
Jun – 2012	-32.7	-31.2
May – 2012	11.4	6.1
Apr – 2012	-25.9	-35.4
Q1 2012	-24.0	40.61

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Real Estate Market Overview

Conditions in the real estate market did not improve during the third quarter over those of the second quarter as residential prices continue to be cut while commercial property rents keep falling and vacancy rates remain stubbornly high. The weak economy is the key factor to the poor performance of real estate with people very discouraged from purchasing real estate due to current conditions. Cutbacks in consumer spending are also affecting businesses and hence office and retail rents. The introduction of new supply in residential, office, and retail slowed during Q3 as it has for some time now due to tough conditions for developers that are seeking financing. This could actually be seen as a blessing for the real estate market as a whole since developers are now going through a kind of “survival of the fittest” test where only those that have strong brand names from constructing quality buildings on time without issues (those that can secure financing) are able to make sales and lease space while other lesser developers struggle to survive and will ultimately go out of business.

In the residential segment, the component with the highest turnover and most stable prices appears to be the affordable housing component. According to CBRE Vietnam, prices in the affordable segment have fallen 3% Y-o-Y while prices in the high-end segment have fallen 7% Y-o-Y which is including a quarterly drop of 2.4%. Anecdotally, many developers have had steep price cuts of close to 30% and are still having trouble generating sales. Many developers are finding that the lack of visible construction progress is hurting their sales efforts and that it does not matter how far prices are dropped as end users will not buy units in buildings where there is no construction progress. These developers relied too much on pre-sales to finance their projects and this has resulted in a deadly combination of no sales and no future financing. These are the developers that are causing problems in the financial sector and are being left behind by the stronger developers.

Rents in the retail segment continue to weaken in both Ho Chi Minh City and Hanoi with the introduction of new supply in Hanoi and a large amount of anticipated new supply in Ho Chi Minh City in Q4 with the opening of Vincom’s new Eden A shopping mall. Both Ho Chi Minh City and Hanoi are expecting a significant amount of new retail supply over the next few years which will continue to put downward pressure on rents. Foreign retail brands continue to establish flagship stores, but given the uncertain economic conditions, it is doubtful that many will attempt to expand aggressively. The amount of new supply that is expected in both cities over the next few years is worrisome since consumer spending has not grown significantly, and anecdotally, we are hearing that many established retailers are already not doing well enough to sustain the rents that are being asked.

In the office segment, few companies are achieving the kind of growth that would necessitate corporate expansion and conditions are difficult for new businesses to start operations at the moment due to the lack of available credit. Rents in grade A offices fell during the quarter, but CBRE Vietnam has reported that grade B rents in Ho Chi Minh City increased slightly during the quarter, possibly indicating a bottom to the market. However, there is a large amount of new grade B and some grade A office supply that is scheduled to come online soon which will probably send rents downwards. A positive note for currently existing office supply is that given the lack of available credit and the fact that it seems many office projects did not secure enough funding up front (for whatever reason), construction progress at those projects has slowed to a crawl, delaying their entrance to the market and therefore limiting the amount of new supply, hopefully to a pace that will result in stabilizing rents.

The main problem in real estate is the current mismatch of excess supply and not enough demand, and this is not expected to be resolved as long as economic growth is slow. Thus, it is important to keep a long-term view of Vietnam’s real estate market; while growth is presently relatively slow for this economy, there is *still* growth, and thus conditions in the real estate market will improve.

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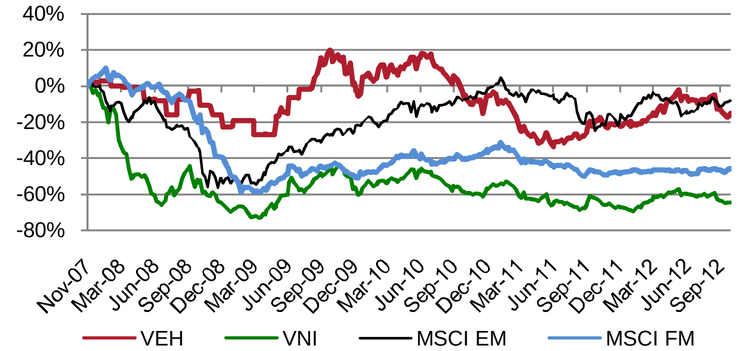
Vietnam Equity Holding (VEH) Performance

In Q3 2012, VEH's NAV per share decreased 6.5% to €1.98 from €2.12 at the end of Q2 2012, compared to an 8.4% decrease in the VN Index in EUR terms. Since inception, VEH's NAV has declined 15.4% versus a 64.1% decline of the VN Index in EUR terms.



Performance (%)	Q2 2012	Q3 2012	YTD	12 Months Prior	Inception
VEH NAV	6.1	-6.5	9.0	3.0	15.4
VEH Share Price	3.7	-5.0	27.9	33.0	49.8
VN Index in EUR	0.6	-8.4	13.5	-4.6	-64.1
MSCI EM Index in EUR	-5.8	5.4	10.3	18.6	-7.1
MSCI FM Index in EUR	-3.4	5.4	2.8	3.8	-45.2

	May-12	Jun-12	Jul-12	Aug-12	Sep-12
Total NAV (€)	48,344,206	46,086,784	46,697,203	44,623,204	42,985,705
NAV per Share (€)	2.22	2.12	2.15	2.06	1.98

VEH Portfolio Performance

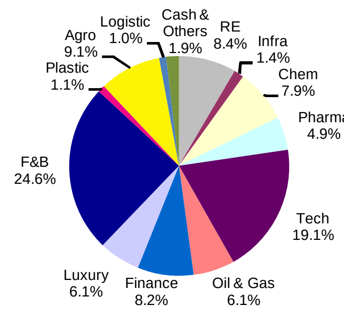
VEH outperformed the VNI in EUR terms during Q3 because of the continued strength of large-cap "blue-chip" stocks and a higher allocation towards consumer goods than to banking and finance. The low levels of volume have been focusing on blue-chip stocks with ETF rebalancing having unusually large impacts on share prices, resulting in many small and mid cap stocks throughout the market and in the portfolio being ignored. With improving macro and market expectations, liquidity is set to improve as well, resulting in better performance from small and mid cap stocks.

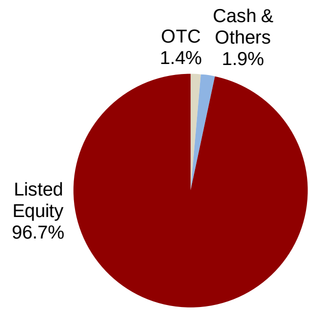
VEH Strategy

VEH remains predominantly invested in listed equities, which represent 96.7% of the total NAV, while 1.3% is invested in the OTC market.

VEH's strategy is to source reasonably priced mid cap companies that demonstrate high growth potential. VEH prefers companies with significant exposure to the domestic market, that can capitalize on the strong growth of Vietnamese middle class consumption, and that are poised to benefit from an anticipated long-term rebound of the Vietnam stock market.

Portfolio by Sector and Asset Allocation

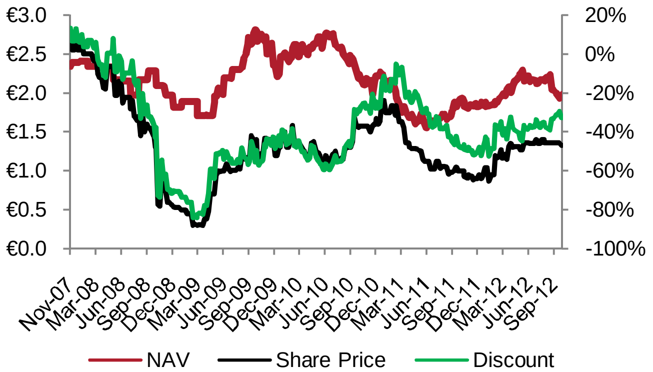




About Vietnam Equity Holding

Vietnam Equity Holding (VEH) is an investment fund established as a Cayman Islands closed-end company listed on the Frankfurt Stock Exchange (FSE) and Xetra. The objective of VEH is to maximize capital appreciation by making equity investments in promising listed, pre-listed, and private companies in Vietnam. LCF Rothschild ranked VEH as the No. 1 performing Vietnam focused equity fund in 2008. For more information, please visit www.saigonam.com

Structure	Cayman Islands registered closed-end fund
Funds Launch	November 2007
Duration	5 Years (subject to shareholder vote for extension)
Fiscal Year End	31 December
Listed	Frankfurt Stock Exchange (FSE) and Xetra
NAV Frequency	Monthly
Management Fee	2% of NAV
Performance Fee	20% of gains over 8% hurdle with high water mark
Investment Manager	Saigon Asset Management
Auditor	Grant Thornton
Legal Counsel	Reed Smith LLP & Appleby
Administrator Custodian	Deutsche Bank (Cayman) Ltd Deutsche Bank AG, Ho Chi Minh City Branch
Clearing / Settlement	Euroclear or Clearstream
Market Makers	**886 AG** +49 6101 98861 18, www.886ag.de **LCF Rothschild** +44 207 845 5900, www.lcfr.co.uk
Bloomberg	3MS:GR
Reuters	3MS.DE
ISIN	KYG936251043
German Securities Code	A0M12V



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1. *Vinamilk (VNM)*

Vinamilk is the largest diary company in Vietnam with 50% market share (2011). The company has consistently delivered a solid performance over the last 5 years with revenue growth around 20% and profit growth around 30%. VNM is the only Vietnamese company that is listed in Forbes Asia list "Best Under A Billion."

Vinamilk's revenues dropped slightly Q-o-Q due to a plunge in export sales while domestic sales continued to increase, though at a greatly reduced pace. However, for the first nine months of the year, VNM's revenues have grown 25% over the same period last year, attributable to the increase in the domestic sales price as well as the large amount of export sales during the first half of the year. Also, the company has achieved 74% and 89% of its sales and earnings targets for 2012 and is expected to surpass these targets. VNM announced that it now exports its products to 23 countries and to handle the expansion in both foreign and domestic sales, the company plans to open two new factories in Q1 2013.

In early Q3, Vinamilk announced that it would pay a 2012 dividend of 3% and there will be a bonus share offering at a ratio of 2:1 in December 2012. This news drove the share price above VND100,000, exhibiting the strong demand among investors for this high-quality company.

VNM Key Share Data @30 September 2012	
Market Capitalization ($mn)	3,126
Share Price 30 September 2012 (VND)	117,000
Share Price 30 June 2012 (VND)	88,000
Trailing P/E	12.5
Outstanding Shares (mn)	556
Dividend Yield (%)(*)	3%
52-week High (**) (VND)	136,000
52-week Low (**) (VND)	76,400
Average Daily Volume (**)	112,023

(*) Based on cash dividend payment plan in AGM 2012
(**) Bloomberg

Income Statement Summary (billion VND)	**Q2 2012**	**Q3 2012**
Revenue	7,097	6,619
COGS	4,687	4,277
Gross Profit	2,410	2,342
Gross Margin	34.0%	35.3%
Operating Profit	1,658	1,600
Operating Margin	23.3%	24.1%
Net Profit	1,492	1,395
Net Margin	21.0%	21.1%

2. *FPT Corporation (FPT)*

FPT dominates Vietnam's technology industry with four core businesses: Systems Integration, Telecommunications, Software Outsourcing, and IT & Mobile Phone Distribution. Achieving a net earnings growth rate of 20% per annum over the last 10 years, the company also has one of the most highly respected management teams in Vietnam. The company is trading at a trailing P/E ratio of 6.7.

FPT's revenues increased during the third quarter after a 41% increase in the retail business and a seasonal increase in sales in the Distribution business. FPT is currently expanding its retail business by opening new storefronts; presently it has 37 retail outlets and it plans to have 150 by 2014. During August, the company's CEO resigned with the Chairman stepping in to become the temporary CEO with a new candidate likely being chosen from within the company.

FPT's revenues and profits are expected to continue to miss their targets for the year due to falling government spending affecting the implementation of government contracts and an uncertain economy affecting consumer spending, in turn affecting the Distribution business and others. However, FPT continues to have good growth in high-margin areas such as telecom and software and these are expected to be critical components for future growth.

FPT Key Share Data @30 September 2012	
Market Capitalization ($mn)	494
Share Price 30 September 2012 (VND)	37,900
Share Price 30 June 2012 (VND)	47,100
Trailing P/E	6.7
Outstanding Shares (mn)	274
Dividend Yield (%)(*)	5%
52-week High (**) (VND)	53,600
52-week Low (**) (VND)	36,600
Average Daily Volume (**)	204,042

(*) Based on cash dividend payment plan in AGM 2012
(**) Bloomberg

Income Statement Summary (billion VND)	**Q2 2012**	**Q3 2012**
Revenue	5,515	6,152
COGS	4,271	5,016
Gross Profit	1,244	1,136
Gross Margin	22.6%	18.5%
Operating Profit	587	485
Operating Margin	10.6%	7.9%
Net Profit	412	338
Net Margin	7.5%	5.5%

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3. Phu Nhuan Jewelry (PNJ)

Phu Nhuan Jewelry (PNJ) is a growing Vietnamese jewelry brand that styles itself as a "Vietnamese Tiffany's" and is the second largest in Vietnam, after Saigon Jewelry Company (SJC). The company has three product lines targeting domestic demand: PNJ Gold (mass market), PNJ Silver (youth market), and Cao Fine (exclusive market). With Vietnam's only mass production jewelry factory and a growing nationwide distribution network of 169 outlets and over 3,000 distributors, PNJ is on a strong growth path.

In the first nine months of the year, PNJ's revenues have fallen significantly due to the decline in gold bar trading, however the company has achieved 83% of its net profit target due to the full sale of its non-core subsidiary "Dai Viet Energy" to TotalGaz Vietnam for substantial profits. During Q3, PNJ moved its factory to a new and substantially larger building allowing it to increase its capacity by 50%.

Despite the fall off of gold bar trading and the sale of the gas subsidiary, PNJ's profit margin has decreased very minimally, showing the company's resilience during the tough economic period. Generally, luxury items like jewelry are extraneous expenses though even with a poor economy, jewelry sales have remained resilient with the profit margin mainly being affected by higher appetite for lower-gold content jewelry and being stimulated by discount programs. The drop in gold bar trading has actually helped margins increase and the substantial profits from the sale of the subsidiary will allow the company to further grow its core business.

PNJ Key Share Data @30 September 2012	
Market Capitalization ($mn)	98
Share Price 30 September 2012 (VND)	28,600
Share Price 30 June 2012 (VND)	37,500
Trailing P/E	7.4
Outstanding Shares (mn)	72
Dividend Yield (%)(*)	8%
52-week High (**) (VND)	37,500
52-week Low (**) (VND)	27,500
Average Daily Volume (**)	116,466

(*) Based on cash dividend payment plan for 2012
(**) Bloomberg

Income Statement Summary (billion VND)	**Q2 2012**	**Q3 2012**
Revenue	1,626	1,519
COGS	1,506	1,364
Gross Profit	121	155
Gross Margin	7.4%	10.2%
Operating Profit	18	82
Operating Margin	1.1%	5.4%
Net Profit	39	87
Net Margin	2.3%	5.7%

4. Dabaco Group (DBC)

Dabaco (DBC) is the largest domestic animal feed producer in Vietnam with 20% market share in the North and 3% market share nationwide. Though it faces strong competition from foreign companies, current supply of animal feed satisfies only 60% of domestic demand. This presents an opportunity for Dabaco to increase its market share by building up its brand name and the quality of its products.

During Q3, DBC's revenues increased slightly from its animal breeding activities whereas animal feed sales fell due to the slowdown in animal husbandry activities by farmers due to the decrease in the price of meat. However, the decrease in the price of meat has been coupled with increasing prices of soybeans, a major ingredient in animal feed, forcing DBC to increase its prices to pass the added costs on to the customers. Thus, DBC's revenue growth is expected to be kept restrained as both the animal feed and animal breeding businesses will be affected. Net profits have grown by 60% Y-o-Y and have mainly been supported by the Den Do land sale that occurred in the first quarter.

DBC Key Share Data @30 September 2012	
Market Capitalization ($mn)	47
Share Price 30 September 2012 (VND)	20,500
Share Price 30 June 2012 (VND)	22,900
Trailing P/E	3.0
Outstanding Shares (mn)	48
Dividend Yield (%)(*)	7%
52-week High (**) (VND)	25,300
52-week Low (**) (VND)	11,500
Average Daily Volume (**)	215,529

(*) Based on cash dividend payment plan in AGM 2011
(**) Bloomberg

Income Statement Summary (billion VND)	**Q2 2012**	**Q3 2012**
Revenue	900	1,090
COGS	787	1,010
Gross Profit	113	80
Gross Margin	13.0%	7.3%
Operating Profit	68	34
Operating Margin	8.0%	3.1%
Net Profit	42	18
Net Margin	4.7%	1.7%

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5. *Development Investment Construction (DIG)*

Development Investment Construction JSC (DIG) is a leading real estate developer that has secured a 3,000 hectare land bank within the "Southern Economic Triangle" region of Vietnam. DIG has extensive experience in developing large-scale township developments as well as new urban areas. Strong connections with Song Da Group (representative of the State), has helped DIG gain access to attractive properties at great value.

DIG continues to be affected by the poorly performing real estate market. This developer has chosen to make cash flow a priority and slow development in three of its larger projects, mainly by delaying the infrastructure and construction of new projects. The company continued to book sales at its Lakeside apartments development and to stimulate sales and cash flow, has decreased prices at its Thuy Tien apartment development by 15%. DIG has also managed to extend the terms of its bank loans by up to 3 years. Finally, there are also significant receivables from several projects that DIG is counting on collecting over the next few years to keep cash flow up.

DIG Key Share Data @30 September 2012	
Market Capitalization ($mn)	73
Share Price 30 September 2012 (VND)	11,800
Share Price 30 June 2012 (VND)	16,400
Trailing P/E	21.8
Outstanding Shares (mn)	130
Dividend Yield (%)(*)	8%
52-week High (**) (VND)	22,600
52-week Low (**) (VND)	9,400
Average Daily Volume (**)	196,705

(*) Based on cash dividend payment plan in AGM 2011 (*2012 cash dividend plan is not specified*)
(**) Bloomberg

Income Statement Summary (billion VND)	**Q2 2012**	**Q3 2012**
Revenue	192	176
COGS	129	138
Gross Profit	63	37
Gross Margin	32.8%	21.0%
Operating Profit	27	-2
Operating Margin	14.1%	-1.1%
Net Profit	22	-2
Net Margin	11.5%	-1.1%

About Saigon Asset Management

Established in 2007 in the Cayman Islands with a representative office in Ho Chi Minh City, SAM manages Vietnam Equity Holding (VEH) and Vietnam Property Holding (VPH) and employs over 25 investment professionals with diverse international financial backgrounds and proven track records.

- **Inception**: November 2007
- **AUM at Inception**: US$125 million
- **Incorporated**: Cayman Islands
- **Representative Office**: Ho Chi Minh City, Vietnam
- **Business Models**:
  - Fund Management
  - Advisory Services
- **Track Record and Pertinent Info**:
  - Vietnam Equity Holding (VEH)
    - No.1 performing equity fund in 2008 according to LCF Rothschild and best performing equity fund since 2007
    - Focus on under-valued midsize companies
    - Key Portfolio Holdings: FPT, VNM, PNJ, DBC, DIG
  - Vietnam Property Holding (VPH)
    - No.1 performing real estate fund in 2009 according to LCF Rothschild
    - Focus on listed real estate companies with large land banks
    - Key Portfolio Holdings: NBB, C21, Mo Plaza, SAV, CNT
- **Management**:
  - Louis Nguyen – Chairman & CEO
  - Kevin Flaherty – Managing Director of Energy & Natural Resources Investment
  - Peter Dinning – Managing Director of Real Estate Investment
  - Hung Pham – Director of Investment Banking
  - Eric Schaer – Managing Director of Advisory Services
  - Henrik "Hien" Vu – Director of USA Operations