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SAIGON ASSET MANAGEMENT

VIETNAM EQUITY HOLDING (VEH)
ANNUAL REPORT 2009

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About the company

Vietnam Equity Holding ("VEH" or the "Company") is an exempted company incorporated in the Cayman Islands on August 9, 2007. Its shares are listed on the Frankfurt Stock Exchange.

VEH was among the best performing Vietnam equity-focused funds in 2009. For the two year period 2008-2009, VEH was the only fund with a positive return among all Vietnam-focused funds.

The Company is managed by Saigon Asset Management Corporation ("SAM" or the "Investment Manager"), which is an exempted company incorporated under the laws of the Cayman Islands. For more information please visit www.saigonam.com.

Investment Objective

The principal investment objective of VEH is to seek capital appreciation of its assets by making equity investments in companies with significant exposure to Vietnam. Specifically, the Company has invested in and will continue to invest in equity of listed and private companies, over-the-counter ("OTC") companies, and/or in debt securities. The Company seeks to invest in a diversified and balanced portfolio that would achieve above average returns at an acceptable level of risk, give rise to long-term and short-term returns, and be capable of yielding recurring earnings and/or capital gains.

CORPORATE INFORMATION	
Structure	Cayman Islands registered closed-end investment company
Incorporation Date	August 9, 2007
Total Net Asset Value	EUR 53.6 mn (as of December 31, 2009)
Duration	5 Years subject to shareholder vote for extension
Listed	Frankfurt Stock Exchange (FSE)
Annual Management Fee	2% of NAV
NAV Frequency	Monthly
Performance Fee	20% of gains over 8% hurdle rate with a high water mark
Investment Manager	Saigon Asset Management
Auditor	Grant Thornton (Vietnam) Company Ltd.
Legal Counsel	Reed Smith LLP Appleby
Administrator/Custodian	Deutsche Bank (Cayman) Ltd/ Deutsche Bank AG (Ho Chi Minh City Branch, Vietnam)

TRADING	
Market	FSE and Xetra
Clearing/Settlement	Euroclear or Clearstream
ISIN	KYG936251043
Bloomberg Symbol	3MS:GR
Reuters Symbol	3MS.DE
Designated Sponsor/Market Maker	886 AG (www.886ag.de)
Enquiries	IR@saigonam.com

CHAIRMAN'S STATEMENT

To our Shareholders,

We are pleased to present the 2009 annual report of Vietnam Equity Holding (the "Company").

Despite the global financial crisis, Vietnam's economic growth accelerated throughout 2009, reaching a 6.9% GDP growth rate in Q4 2009, the highest since QI 2008. The FY 2009 GDP growth of 5.3% was supported by sustained investor confidence in Vietnam, as evidenced by US$10 billion of capital inflows in the form of foreign direct investment (FDI).

The country's steady growth translated into a widening trade deficit, rising credit growth and growing inflation. Despite these signs of economic overheating the Vietnam Index's dramatic 495 close at the end of the year, marked an increase of 57% year-on-year. Compared to other stock markets in the region, Vietnam was seen as one of the top performers and only lower than the Shanghai Composite Index with a 79% gain.

Vietnam's policy makers succeeded in lowering interest rates, revived a stalled construction sector, and helped bolster general market confidence. The benefits attributed to state policies were reaffirmed by the U.S. investment bank, Goldman Sachs, in an investment market report released in early December, which acknowledged that the stimulus package and monetary-loosening policy enabled Vietnam to cope very well with the impact of the global financial crisis.

The longer term growth story also remains in tact. Favorable demographics, a strong work ethic, and a high savings rate are gradually pushing the Vietnamese economy up the "value chain", away from a reliance on agriculture and low value added manufacturing exports towards a more mature economy driven by domestic demand and the export of more sophisticated products and services. This gradual secular shift in the economy is evidenced by a rapidly growing middle class, by steadily increased retail sales and by a drop in the proportion of agriculture in Vietnam's exports over the last 5 years from 36% of Vietnam's exports in 2005 to 24% in 2009.

Against this background, the Company's performance was rated among the best performing Vietnam equity-focused funds in 2009, according to LCF Rothschild, a financial institution that tracks emerging investment funds. Over the year, the Company's Net Assets Value (NAV) per share increased 35.9% to €2.47 from €1.816 at the end of 2008.

Throughout 2009, the Company executed an opportunistic and pragmatic investment strategy and redirected some investments away from some highly cyclical industries. For example, the Company shifted its investments from the steel industry to information technology leader, FPT Corporation.

With the economy returning to strong growth our senior management pledges to continue to explore and to analyze the market's optimal sustainable and strategic investment opportunities.

Dr. Lee G. Lam,
Chairman & Independent Director
Vietnam Equity Holding

The beginning of 2009 marked a turning point for global financial markets. Some sophisticated investors follow two important indicators in times of financial crisis: the yield of junk bonds in the US (the Merrill Lynch High Yield Master II index, HOAO) and the Treasury-Euro Dollar spread in the US (the "TED Spread"). Both of these indicators were at extreme levels at the end of 2008/ start of 2009, but fell back to pre-crisis levels over the first quarter, signaling a return to normalcy.

This bottoming out of worldwide negative sentiment became the turning point for world stock markets. As a result of the Vietnam Index (VNI) and the S&P500 both bottomed out within days of each another in the middle of Q1.

The subsequent rally in Vietnam's stock market was more powerful than the rally in most other markets around the world. This strong rally was backed by the sustainable growth of the country's economy, in which the promising demographics and continued emerging middle-class population were widely known as key drivers.

Vietnam's market is particularly responsive to local liquidity conditions in the economy, and there were two powerful waves of liquidity that boosted the economy and the market in 2009. The first big liquidity source, for the period from February to June, was from the government's subsidized loan program, and the second source was margin lending by stockbrokers from August to October.

Other factors also contributed to the strength of this rally.
Valuations were very attractive at the February bottom (7 PE). Quarter-on-quarter GDP growth accelerated during the year. Furthermore, besides the loosening of monetary policy, the government exercised additional stimulus measures due to the trade deficit improvement and a lack of inflationary pressure.

The subsidized loan program had a direct correlation to the first leg of the market's increase between February and June because most of the money was lent out in this period. Subsequently, the growth in subsidized loans slowed but margin lending by stockbrokers accelerated dramatically, fueling a second leg of the bull market from the summer until late October.

Additional liquidity support for the second leg of the bull market was provided in August when the government raised its credit growth target to 30%.

Throughout the first 9 months of the year, anecdotal evidence suggested that liquidity did not flow into the real estate market because of high property prices, an oversupply of office buildings, high-end condominiums and large-scale resort projects.

Furthermore, liquidity was unlikely to have flowed into bonds as evidenced by the under-subscribed of the government issuances.

The November peak in the market coincided with a dramatic increase in volume, which was a reliable sign of speculative excess. Echoing with the speculative market peak in November, concerns about inflation and about the currency materialized.
Month-on-month inflation accelerated, credit growth headed past 35%, and the Dong weakened significantly in the black market at this time.

In response to the Dong weakness and to the slight overheating in the economy, the State Bank of Vietnam (SBV) slammed on the monetary brakes in a three-prong reduction in liquidity. It raised the base rate 1%, devalued the Dong by 5%, and effectively curtailed stock margin lending using an administrative guidance decree. Economists interpreted these measures as signs the government had decided to shift temporarily away from a growth-focused policy to one that addressed growing macroeconomic imbalances.

This resulted in a 30% correction in the market, which was primarily driven by the unwinding of margin stock positions. Foreign buying and the announcement of a second loan stimulus package finally halted the plunge in the stock market.

The VN Index ended the year up 57%, making it one of the best performing stock markets in the world. The market capitalization increased from US$12.7 billion to US$33.1 billion, including approximately US$8.8 billion of new listings and US$.5 billion capital increases in existing companies. Notable new listings included Eximbank (EIB), Bao Viet Holdings (BVH), Saigon-Hanoi Bank (SHB), Vietcombank (VCB), Vietinbank (CTG), and Masan Group (MSN).

FINANCIAL HIGHLIGHTS

- NAV per share increased during 2009 from EUR1.816 to EUR2.47 (35.9%)
- Equity investment valued at EUR50,325,276
- Cash and cash equivalent of EUR1,781,824 (3% of NAV)

FINANCIAL DATA
(IN EUR EXCEPT WHERE OTHERWISE NOTED)

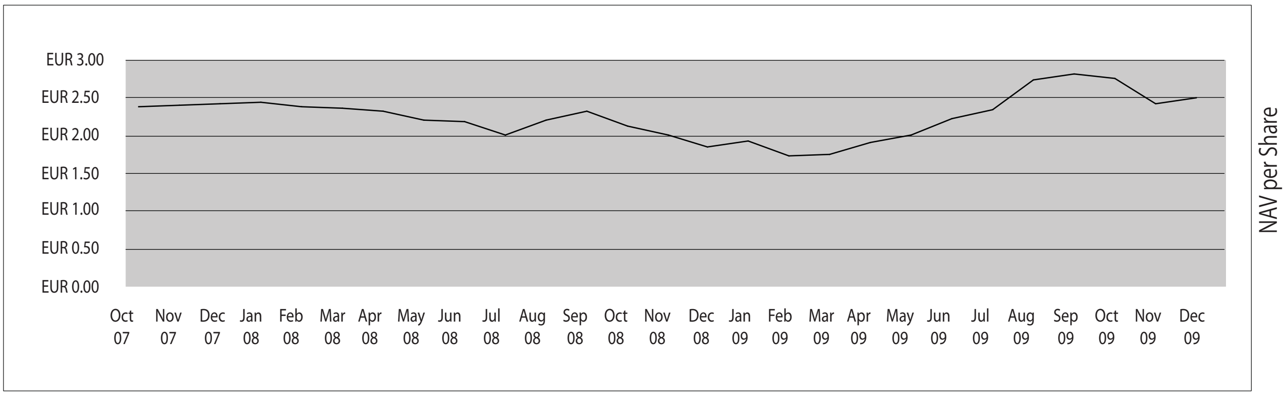
	As of Dec 31, 2009	As of Dec 31, 2008	% of Change
Net asset value	53,646,622	39,481,393	35.9%
Outstanding shares	21,745,510	21,745,510	-
Net asset value per share	2.47	1.816	35.9%
Ordinary share price	1.50	0.50	200%
Discount/Premium of Share Price to NAV	(39.2%)	(72.5%)	

As of March 31 2010, VEH's net asset value per share was EUR2.49 which increased 0.8% YTD and the share price was traded at EUR1.15 per share or a 53.8% discount.

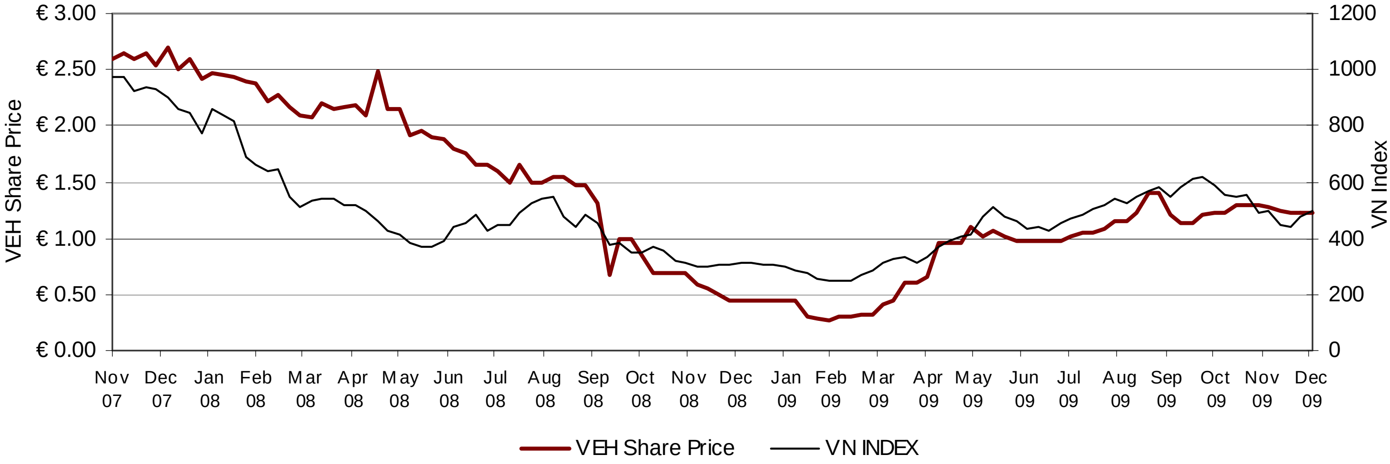
CAPITAL STRUCTURE

	Ordinary shares
Placing (November 30, 2007)	21,745,510
Movement during the year 2009	-
Outstanding shares as of December 31, 2009	21,745,510

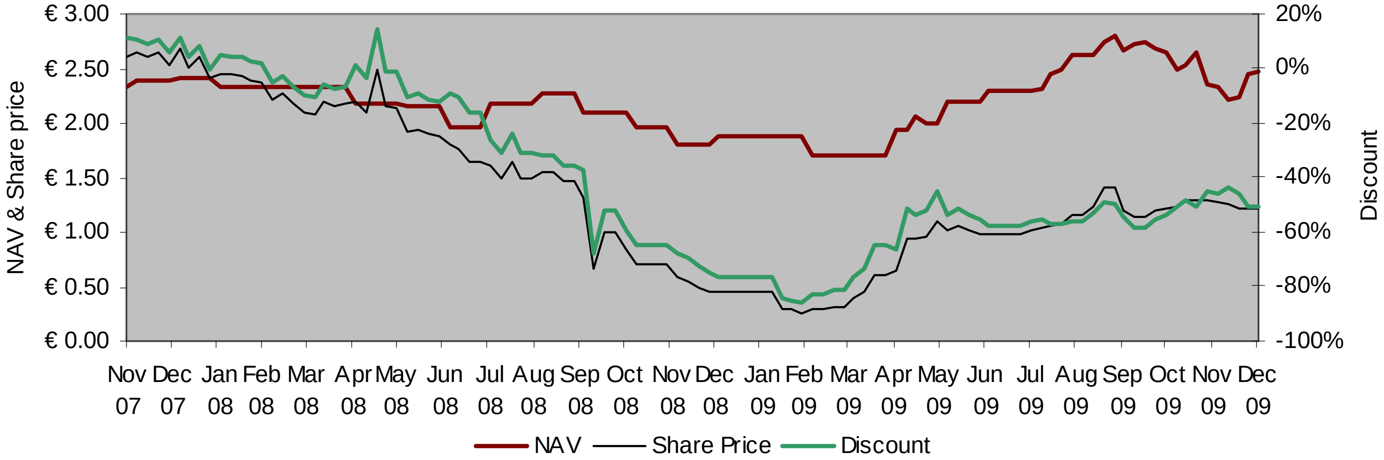
NET ASSET VALUE PER SHARE SINCE IPO



SHARE PRICE VS. VN INDEX SINCE IPO



SHARE PRICE, NAV PER SHARE & SHARE PRICE TO NAV PREMIUM / DISCOUNT SINCE IPO



FPT Corporation (FPT)

FPT is the leading company in the telecom and technology industry. In 2009, FPT increased revenue, PAT and EPS by 8%, 22% and 26% respectively. For 2010, the company forecasts a 23%, 21% and 19% y-o-y increase in revenue, PAT and EPS. In 2008, the company pursued a diversified expansion strategy, investing in banking, securities and fund management businesses. But the euphoria in Vietnam's stock market seen in 2007 has deflated, and in 2009 the company refocused on its core businesses. A US$100 million bond issued in October 2009 was earmarked for its telecom and software businesses. FPT paid a 6.7% dividend yield in 2009, comprised of 25% of par value in cash and 33.3% of par value stock. In 2010, FPT expects to pay at least 40% of par value dividends. In an effort to bring more clarity to its corporate governance the company announced that it will separate the Board of Directors positions from management positions when the Chairman, CEO and Deputy CEO all step down from the board this year. Board members also commit not to sell any shares in 2010 and to create a plan in cooperation with large shareholders to improve share price.

Sector / Asset Type	Technology / Listed	
Year acquired	2008	
Book Value	EUR8.14mn	
% NAV	15.2%	
Financial Highlights (in EURmn except where otherwise noted)		
	2009	2008
Revenue	725.0	670.3
EBITDA	83.2	61.8
Net income	41.9	34.2
Net income growth	22.4%	8.5%
Earning per share (VND)	7,498	5,959

Development Investment Construction Corporation (DIG)

DIG is the largest real estate developer in Southern Vietnam, focusing on satellite cities, residential and industrial areas in Vung Tau, Dong Nai, Da Lat and Hau Giang provinces. The company also has projects in some northern provinces such as Vinh Phuc and Ha Tay. DIG was listed on HOSE in August 2009, one and a half years after their IPO. The share price increased more than 100% from the initial listing price over the course of the year, reflecting good operating performance. PAT grew by 94% in 2009, although EPS only grew 16% because the company increased its capital from 370 billion VND to 700 billion VND. In 2009, DIG paid a relatively generous 10% dividend yield, comprised of 30% of par in cash and 43% of par in shares. With a land bank of 19 million square meters located throughout Vietnam, DIG has the largest land bank among the listed real estate companies. In March 2010, DIG commenced construction on a 35 hectare commercial and residential project in the Vung Tau province. We expect DIG will continue to perform well in 2010, when it will complete and sell some of their major projects.

Sector / Asset Type	Real Estate & Infrastructure/ Listed	
Year acquired	2007	
Book value	EUR8.42mn	
% NAV	15.7%	
Financial Highlights (in EURmn except where otherwise noted)		
	2009	2008
Revenue	64.3	12.3
EBITDA	28.5	17.1
Net income	26.0	13.4
Net income growth	94.3%	1675%
Earning per share (VND)	10,323	8,871

Vinamilk (VNM)

Vinamilk is the largest company in HOSE in terms of market capitalization. In 2009 the company achieved 22% growth in revenue and 86% growth in PAT and the company decided to exit the beer and coffee businesses to refocus on its core milk and related products businesses. They exited from the beer business with decent profits in 2009 and will exit from the coffee business in Q2 2010. In 2009, the company had a 39% market share for milk and is aiming to a reach 35% market share for powdered milk by 2011. For 2010, the company forecasts a 33% and 15% y-o-y increase in revenue and PAT. We expect VNM will achieve its forecasts because historically VMN management has been conservative and has consistently beaten its projected PAT in the last 7 years since their IPO in 2003.

Sector / Asset Type	Food and Beverage / Listed	
Year acquired	2008	
Book value	EUR5.42mn	
% NAV	10.1%	
Financial Highlights (in EURmn except where otherwise noted)		
	2009	2008
Revenue	418.1	343.3
EBITDA	117.1	64.6
Net income	93.6	50.3
Net income growth	86%	22%
Earning per share (VND)	6,769	7,132

Phu My Bridge Corporation (PMC)

PMC is the owner of the US$180mn BOT Phu My Bridge project, and the associated US$90mn BT approach road project. This bridge links District 2 and District 7 via Ho Chi Minh City's belt road. PMC's BOT contract gives the company 26 years of toll fee collection rights. PMC is well-positioned to dominate the infrastructure sector in Southern Vietnam and has deep connections with local governments. PMC was recently tasked by the Ho Chi Minh City's People Committee with four key projects: The Thu Thiem Bridge No.3, linking Dist 2 to Dist 4 of Ho Chi Minh City, the Saigon Bridge II in Ho Chi Minh City, the Ca Pass Tunnel on National Highway 1A and the Nhon Trach Bridge. Additionally, in 2009 the company formed a joint venture with Thanh Danh Corporation to develop the Tramway Line No.1.

Sector / Asset Type	Infrastructure / OTC
Year acquired	2008
Book Value	EUR5.75mn
% NAV	10.7%
Location	District 7, Ho Chi Minh City
Size/Area	US$180 million Phu My Bridge BOT project & US$90 million Phu My Bridge Approach Roads project
Status	The deck closure ceremony was held in May 2009.Toll fee collection started on April 1, 2010. The listing plan is expected by the end of 2010.
Highlights	PMC signed a strategic agreement with SSG,a local developer to co-develop 2.1ha of residential projects granted by the city. PMC is in discussion with ACBS/Goldman Sachs for the preparation of issuing a government-backed US$700 million corporate bond on the international market to finance their three infrastructure projects (US$136 million Saigon Bridge II, US$246 million Nhon Trach II Bridge, and US$246 million Tramway Line No. 1).

Sacombank (STB)

STB is one of the top joint stock commercial banks in Vietnam and is the second largest privately-owned bank after Asia Commercial Bank (ACB). In 2009, STB grew their assets by 46% and PAT by 68%. 2009 was a difficult year for the banking industry but STB's NPL's remained at a reasonable level of 0.9% compared to the industry average of 2.5%. The company paid out a 10% dividend yield, or 30% of par value. Strategic investors (Standard Chartered Bank and ANZ) exited from STB to peruse their own local growth strategies, but these exits did not have a significant impact on STB's share price. Sacombank Securities(SBS), a 100% subsidiary of STB, did their IPO on the OTC market at the end of 2009 and is expected to list in HOSE in Q2 2010. For 2010, STB projects growth in total assets of 48% and PBT of 26%.

Sector / Asset Type	Banking and Financial Services / Listed	
Year acquired	2008	
Book Value	EUR4.35mn	
% NAV	8.1%	
Financial Highlights (in EURmn except where otherwise noted)		
	2009	2008
Total assets	4,097.5	2,803.8
Net income	65.8	39.1
Net income growth	68.3%	-34.6%
Earning per share (VND)	2,771	1,869

Hau Giang Pharmaceutical Joint Stock Company (DHG)

DHG is the top company in Vietnam's pharmaceutical industry with around 10% market share of locally-manufactured drugs. In 2009, revenue grew 12% but PAT grew 151% for two reasons: first because DHG decreased its sales commissions to its distribution channels and second because of the reversal of provisions made in 2008 for bad debts and financial impairments on long-term investments. The company made some short-term financial investments in 2008 that declined in value, so DHG exited from those investments in 2009 to focus on its core business. DHG began its life as a provisional pharmaceutical company and has employed a growth strategy of buying other small provincial pharmaceutical companies. The company built a warehouse in the Tan Tao Industrial Park in Ho Chi Minh City to give it better access to the Ho Chi Minh City area market. DHG is expected to grow their revenue by 15% and PAT by 5.5% in 2010.

Sector/ Asset Type	Pharmaceuticals / Listed	
Year acquired	2008	
Book Value	EUR3.32mn	
% NAV	6.2%	
Financial Highlights (in EURmn except where otherwise noted)		
	2009	2008
Revenue	68.8	61.3
EBITDA	17.5	7.3
Net income	14.1	5.6
Net income growth	151%	14.3%
Earnings per share (VND)	13,396	6,776

PetroVietnam Drilling and Well Services Joint Stock Company (PVD)

PVD is the only drilling and well maintenance services company in Vietnam and is a subsidiary of PetroVietnam. In 2009, PVD increased their revenue by 6%, but PAT decreased by 16% because of the 5.4% depreciation of VND against the USD in late November 2009. The company took delivery on two new oil rigs in Q4 2009 which will increase its revenue significantly from 2010 onwards. In 2010, PVD forecasts revenue to increase 24%, however PAT is expected to drop 1% because rig rental prices typically have a 6 month lag period after an oil price increase. Day rates are likely to be unattractive for most of the year, and will likely increase again in Q4. But demand for drilling rigs is still promising in South East Asia despite declining rig utilization rates and low day rates caused by the oil price decrease in early 2009.

Sector/ Asset Type	Oil and Gas / Listed	
Year acquired	2008	
Book Value	EUR3.15mn	
% NAV	5.9%	
Financial Highlights (in EURmn except where otherwise noted)		
	2009	2008
Revenue	161.4	152.4
EBITDA	49.4	48.9
Net income	32.1	38.2
Net income growth	-16%	55.3%
Earnings per share (VND)	5,865	7,060

PetroVietnam Fertilizer and Chemicals Corporation (DPM)

DPM is the largest fertilizer company in Vietnam and a member of the PetroVietnam group of companies. In 2009, the company's revenue and PAT decreased 2% and 6% y-o-y respectively. DPM's production facilities are running at full capacity so the company cannot expand its profits substantially without expanding capacity. Currently 58% of the company's sales are fertilizer products that they manufacture themselves with a gross margin of 48%. The remaining 42% of sales are from distribution of imported fertilizers with a 2% gross margin. To expand its capacity, DPM wishes to acquire the Dam Ca Mau (DCM) production facility which would double DPM's output capacity and give it a 64% market share by 2012. The DCM factory is owned by PetroVietnam and is currently being constructed at a total cost of US$900 million. The factory is 40% complete and is expected to be operational in early 2012. However, the DCM acquisition plan which was rejected in the 2008 annual shareholder meeting would likely be rejected again because of concerns that it's not cost-effective and because of the foreign exchange risk the project entails. The project is financed in USD but the products produced would be sold into the domestic market.

Sector/ Asset Type	Chemicals/ Listed	
Year acquired	2008	
Book Value	EUR3.41mn	
% NAV	6.4%	
Financial Highlights (in EURmn except where otherwise noted)		
	2009	2008
Revenue	261.2	266.0
EBITDA	101.4	107.0
Net income	53.1	56.7
Net income growth	-6.3%	4.0%
Earnings per share (VND)	3,557	3,646

Saigon Beer-Alcohol-Beverage Corporation (Sabeco)

Sabeco is the largest beer and alcohol manufacturer in Vietnam, with 38% market share. They have some very strong brand names in their portfolio such as "333" and "Beer Saigon" which are particularly strong in the southern areas. Sabeco also has an extensive nationwide distribution network. Sabeco has delayed their listing plan until they can find strategic investors, but the company has been having difficulty doing so because the law mandates Sabeco to sell shares to strategic investors at a stock price no lower than their IPO price of 70,000 VND, which is 55% higher than the current market price of 45,000 VND. Sabeco's share price increased 45% in 2009, and revenue and PAT increased 34% and 20%. SAM estimates that the company's revenue and PAT in 2010 will increase 31% and 14% respectively.

Sector/Asset Type	Food and Beverage/OTC	
Year acquired	2008	
Book Value	EUR2.75mn	
% NAV	5.1%	
Financial Highlights (in EURmn except where otherwise noted)		
	2009	2008
Revenue	512.1	381.4
EBITDA	65.0	48.4
Net income	43.7	36.4
Net income growth	20%	30%
Earnings per share (VND)	1,730	1,386

Dong Phu Rubber Joint Stock Company (DPR)

Doruco (DPR) is the second largest rubber company in HOSE after PHR in terms of market capitalization and land area for rubber plantations. The company manages 9,960 ha, of which 7,863 ha is in production (exploitation) and 2,097 ha is under cultivation. In 2009, revenue and PAT decreased by 14% and 13% respectively because natural rubber prices plunged in early 2009. We expect 2010 to be a good year for DPR because of increases in export prices for natural rubber.

Sector/Asset Type	Chemicals/Listed	
Year acquired	2008	
Book Value	EUR1.92mn	
% NAV	3.6%	
Financial Highlights (in EURmn except where otherwise noted)		
	2009	2008
Revenue	25.5	29.8
EBITDA	10.6	11.0
Net income	8.3	9.6
Net income growth	-13.2%	-3.5%
Earnings per share (VND)	5,269	5,851

Notes:

Dividends: Vietnamese stocks have a par value of VND10,000; it is common for local investors and companies to quote dividend yields as a percentage of the VND10,000 par value. In this report we have incorporated both the Vietnamese dividend yield of dividend amount/10,000 as well as the traditional definition of dividend yield of dividend amount/current share price.

Foreign Exchange Rate: The foreign exchange rate was 26,462 VND/EUR at December 31, 2009

Dr. Lee G. Lam

Chairman of Vietnam Equity Holding and Vietnam Property Holding Independent Director

Dr. Lee G. Lam is an experienced CEO, company director and investment banker and has over 26 years of international corporate management, governance and finance experience in the telecommunications, media and technology, consumer/retail, property and financial services sectors in the Asia Pacific region. Dr. Lam holds a Bachelor of Science in Mathematics and Sciences, a Master of Science in Systems Science, and a Master of Business Administration, all from the University of Ottawa in Canada.

He also has a Post-graduate Diploma in Public Administration from Carleton University in Canada, a Post-graduate Diploma in English and Hong Kong Law and a Bachelor of Law (Hons) from Manchester Metropolitan University in the U.K., a Master of Law from the University of Wolverhampton in the U.K., a PCLL in law (and has completed the Bar Course) from the City University of Hong Kong, and a Doctor of Philosophy from the University of Hong Kong.

He is the Vice Chairman of Macquarie Capital (Hong Kong), and Chairman of the Monte Jade Science and Technology Association of Hong Kong, and serves as an independent, non-executive director of several publicly-listed companies and investment funds in the Asia Pacific region.

Having served as a part-time Member of the Central Policy Unit of the Government of the Hong Kong Special Administrative Region for two terms, Dr. Lam is a Member of the Jilin Province Committee of the Chinese People's Political Consultative Committee (CPPCC), a Member of the Hong Kong Institute of Bankers, a Board Member of the East-West Center Foundation, a Member of the Young Presidents' Organization, a Fellow of the Hong Kong Institute of Directors and a Member of its Corporate Governance Committee, a Member of the General Committee and the Corporate Governance Committee of the Chamber of Hong Kong Listed Companies, a founding Director and the Honorary Treasurer of the Hong Kong-Vietnam Chamber of Commerce, a Senior Honorary Research Fellow at the Hong Kong Baptist University School of Business, an Adjunct Professor in the Department of Management at the Chinese University of Hong Kong, and a Visiting Professor at the School of Economics & Management of Tsinghua University in Beijing. He is fluent in English, Cantonese, Chiu Chow, Mandarin and Vietnamese.

Mr. Louis Nguyen

Director of Vietnam Equity Holding and Vietnam Property Holding

Louis Nguyen is the Chairman and CEO of Saigon Asset Management Corporation (SAM) and has been an active investor in Vietnam since 2003.

Prior to founding SAM in 2007, Mr. Nguyen was Managing Director at VinaCapital where he headed Corporate Finance and The DFJ Capital Fund. Before joining VinaCapital, he was Founding General Partner of IDG Ventures Vietnam, a $100 million venture capital fund. Previous to his position at IDG Ventures, Mr. Nguyen was actively working in the US as Vice President of Intelligent Capital, an M&A firm based in San Francisco, California. He was also a former Partner at Osprey Ventures, a US$100 million venture capital fund based in Menlo Park, California. Mr. Nguyen has extensive operating experience as a Manufacturing Division Controller at NEC Computer Systems in Sacramento, California, and Apple Computer in Cupertino, California. Earlier in his career, he served as an auditor with KPMG in Mountain View, California.

He is the Chairman of The Saigon Asset Management Foundation, a U.S. 501c3 nonprofit organization that provides education scholarships to the underprivileged in Vietnam. Mr. Nguyen received a Bachelor of Science in Accounting from San Jose State University, California. He is fluent in English and Vietnamese.

Mr. Howard Golden

Director of Vietnam Equity Holding and Vietnam Property Holding

Howard I. Golden, Esq.is a U.S. citizen and is the Chairman of the Board of The Worldwide Opportunity Fund (Cayman) Ltd. (WWOF), a multi-class international investment fund, and is the President of Terra Partners, Ltd., an investment management company he founded in 1989. Terra manages money for institutional and qualified investors in a number of countries. He has been investing in stock markets since 1977 and has specialized in global investing since 1991. Mr. Golden has a BA in Economics, an MBA in International Marketing and a Juris Doctorate, all from the University of Wisconsin, Madison. Mr. Golden began practicing law in 1972, and has been actively investing in stock markets since 1977. Mr. Golden has lectured on closed-end funds in London and Prague and at various business schools, including Harvard and The University of Chicago. He has been quoted as an expert in Transition Capital Markets and corporate governance in The Economist, The Financial Times, The New York Times, The International Herald Tribune, Newsweek, Prague Business Journal and Bsiness Central Europe, among other publications. He was asked to participate in a project created by Columbia University and Nobel Prize winner Joseph Stiglitz to provide a textbook guiding journalists reporting on emerging markets. His article on corporate governance, translated into five languages, can be accessed at http://www.1.gsb.columbia.edu/ipd/j_contrib.html

Mr. Golden also currently serves as the Chairman of the Board of Directors of The Romanian Investment Fund, AGNI Systems Ltd., which is a Bangladesh ISP listed on the Dhaka Stock Exchange, and Reconstruction Capital II, which is an AIMS listed investment fund concentrating on Romania and Bulgaria. He also serves on the Boards of Vietnam Equity Holding and Vietnam Property Holding, two closed-end funds trading on the Frankfurt Stock Exchange. He was previously Chairman of the Board of The Kazakhstan Investment Fund and the Romanian Growth Fund, both Cayman Island domiciled investment funds listed on the Dublin Stock Exchange and also served on the Board of Directors of The Framlington Bulgarian Fund until the fund's voluntary dissolution. His tenure on these boards was a result of his activist policy, which involved close and direct supervision of large investments.

Mrs. Kathryn Vagneur

Director of Vietnam Equity Holding and Vietnam Property Holding

Dr. Kathryn Vagneur is a Director of Durant, a private investment fund, and The Forresters Friendly Society, a British mutual insurance company where she chairs the audit and risk committee. Previously, she was a Director with PricewaterhouseCoopers where she consulted in the financial services sector and was a member of the international team that designed the audit methodology which PwC now uses globally. She has a PhD from The London Business School. Her research and consulting have been focused on strategy implementation with FTSE100 companies. She has a track record developing new businesses as the managing director and has guided start-ups, young growing companies and turnarounds in diverse sectors as an advisor. She has experience developing strategy, marketing initiatives and E-commerce projects (B2B in financial services, B2C in retail). She mentors senior executives and is a member of the Finance Committee for the Royal United Services Institute, the international defence and security think tank. Earlier in her career, she qualified as a Certified Public Accountant (US) with Touche Ross & Co. and co-managed her family's cattle business in Colorado. She has an MSc (Management), BSc (Math) and continues to research and write about corporate governance and business improvement.

The Board of Directors submits its report together with the audited financial statements of Vietnam Equity Holding ("the Company") for the year ended 31 December 2009.

The company

Vietnam Equity Holding was incorporated in the Cayman Islands as a company with limited liability. The registered office of the Company is at Deutsche Bank (Cayman) Limited at Boundary Hall, Cricket Square, PO Box 1984, Grand Cayman KY1-1104, Cayman Islands.

Principal activities

The principal activity of the Company is to invest in a diversified and balanced portfolio that would achieve above average returns at an acceptable level of risk, give rise to long-term and short-term returns, and be capable of yielding recurrent earnings and/or capital gains.

Result and dividend

The results of the Company for the year ended 31 December 2009 and the state of its affairs as at that date are set out in the financial statements on pages 18 to 32.

The Board of Directors does not recommend the payment of dividend during the year.

Board of Directors

The members of the Board of Directors during the year and up to the date of this report were:

Board of Directors:		**Appointed on**
Lee G. Lam	Chairman and Independent Non-executive Director	9 November 2007
Howard Golden	Director	9 November 2007
Louis T. Nguyen	Executive Director	9 August 2007
Kathryn Vagneur	Director	8 February 2010

There being no provision in the Company's articles of association to the contrary, all Directors shall remain in office for the ensuing year.

Auditors

The financial statements have been audited by Grant Thornton (Vietnam) Ltd. and they have expressed their willingness to accept their re-appointment subject to their reacceptance policies and procedures.

Directors' interest in the Company

No contract of significance to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

At no time during the year was the Company a party to any arrangement to enable the Directors of the Company to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Board of Directors' responsibilities in respect of the financial statements

The Board of Directors is responsible for ensuring that the financial statements are properly drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2009 and of the results of its operations and its cash flow for the year then ended. In preparing these 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 or, if there have been any departures in the interest of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;

(iii) maintain adequate accounting records and an effective system of internal control;

(iv) prepare the 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 effectively direct the Company in all material decisions affecting its operations and performance and ascertain that such decisions and/or instructions have been properly reflected in the financial statements.

The Board of Directors is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Directors confirms that the Company has complied with the above requirements in preparing the financial statements.

Statement by the Board of Directors

In the opinion of the Board of Directors, the accompanying statement of financial position, statements of comprehensive income, changes in equity and cash flows together with the notes thereto, have been properly drawn up and give a true and fair view of the financial position of the Company as at 31 December 2009 and the results of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards.

On behalf of the Board of Directors

Lee G. Lam
Chairman and Independent Non-executive Director
Ho Chi Minh City, Vietnam
Date: 09 APR 2010

No HCM/10/004

To the Shareholders of Vietnam Equity Holding

We have audited the accompanying financial statements of Vietnam Equity Holding ("the Company") which comprise the statement of financial position as at 31 December 2009, and the related statements of comprehensive income, statements of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 that 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 control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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 accompanying financial statements give a true and fair view of the financial position of Vietnam Equity Holding as at 31 December 2009, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

GRANT THORNTON (VIETNAM) LTD.

Ho Chi Minh City, Vietnam

Date: 09 APR 2010

STATEMENT OF FINANCIAL POSITION

	Notes	31 December 2009 EUR	31 December 2008 EUR
ASSETS			
Current Assets			
Financial assets at fair value through profit and loss	6	**50,325,276**	33,601,751
Other receivables	7	**1,666,792**	137,119
Other current assets		**5,000**	2,029
Cash and cash equivalents	8	**1,781,824**	5,830,167
Total Assets		**53,778,892**	39,571,066
EQUITY AND LIABILITIES			
Equity			
Share Capital	9	**43,491,020**	43,491,020
Share premium	10	**7,881,004**	7,881,004
Retained earnings		**2,274,598**	(11,890,631)
Total Equity		**53,646,622**	39,481,393
LIABILITIES			
Current			
Other Payables	11	**132,270**	89,673
Total liabilities		**132,270**	89,673
Total equity and liabilities		**53,778,892**	39,571,066
Net assets per share (EUR per share)		**2.47**	1.816

The accompanying notes are an intergral part of these financial statements

STATEMENT OF COMPREHENSIVE INCOME

	Notes	**For the year ended 31 December 2009 EUR**	For the year ended 31 December 2008 EUR
Net changes in fair value of financial asset at fair value through profit and loss	12	**17,626,854**	(12,518,567)
General and administration expenses	13	**(1,206,888)**	(1,156,581)
Profit / (Loss) from operations		**16,419,966**	(13,675,148)
Finance income	14	**992,369**	1,894,470
Finance expenses	15	**(3,247,106)**	(751,939)
Profit / (loss) before tax		**14,165,229**	(12,532,617)
Corporate income tax	16	**-**	-
Profit / (loss) for the year		**14,165,229**	(12,532,617)
Other comprehensive income		**-**	-
Total comprehensive income / (loss) for the year		**14,165,229**	(12,532,617)
Attributable to shareholders		**14,165,229**	(12,532,617)
Earnings/(loss) per share – basic and diluted (EUR per share)	17	**0.65**	(0.58)

The accompanying notes are an intergral part of these financial statements

STATEMENT OF CHANGES IN EQUITY

	Share Capital EUR	Share Premium EUR	Retained Earnings EUR	Total Equity EUR
Balance at 1 January 2008	43,491,020	7,881,004	641,986	**52,014,010**
Loss for the year	-	-	(12,532,617)	**(12,532,617)**
Balance at 31 December 2008	**43,491,020**	**7,881,004**	**(11,890,631)**	**39,481,393**
Balance at 1 January 2009	43,491,020	7,881,004	(11,890,631)	**39,481,393**
Profit for the year	-	-	14,165,229	**14,165,229**
Balance at 31 December 2009	**43,491,020**	**7,881,004**	**2,274,598**	**53,646,622**

The accompanying notes are an intergral part of these financial statements

STATEMENT OF CASH FLOWS

	Year ended 31 December 2009 EUR	Year ended 31 December 2008 EUR
Cash flows from operating activities		
Profit/(loss) before tax	**14,165,229**	(12,532,617)
Adjustments for:		
(Gain)/Loss on revaluation of financial assets	**(12,457,072)**	12,955,742
Unrealized loss from foreign exchange difference	**2,646,216**	769,668
(Gain)/Loss from disposal of investments	**(4,772,349)**	(437,175)
Interest and dividend income	**(992,369)**	(1,894,470)
Change in other receivables	**(1,658,498)**	636,064
Change in other payables	**42,597**	(536,705)
Net cash flow used in operating activities	**(3,026,246)**	(1,039,493)
Cash flows from investing activities		
Purchase of financial assets	**(16,276,525)**	(45,490,619)
Proceeds from disposal of financial assets	**14,262,059**	1,584,450
Interest received	**133,227**	953,385
Dividends received	**859,142**	812,857
Net cash outflow from investing activities	**(1,022,097)**	(42,139,927)
Net change in cash and cash equivalents for the year	**(4,048,343)**	(43,179,420)
Cash and cash equivalents at the beginning of the year	**5,830,167**	49,009,587
Cash and cash equivalents at the end of the year	**1,781,824**	5,830,167

The accompanying notes are an intergral part of these financial statements

1. General Information

Vietnam Equity Holding was incorporated in the Cayman Islands as a limited liability company. The registered office of the Company is at Deutsche Bank (Cayman) Limited at Boundary Hall, Cricket Square, PO Box 1984, Grand Cayman KY1-1104, Cayman Islands. Its shares are listed on German stock exchanges (Frankfurt and XETRA).

The investment objective of the Company is to achieve capital appreciation by making equity investments in companies with significant interests in Vietnam. Specifically, the Company intends to invest in equity securities of state owned enterprises, private companies, over-the-counter ("OTC") companies, and listed companies and in debt securities. The Company aims to invest in a diversified and balanced portfolio that would achieve above average returns at an acceptable level of risk, give rise to long-term and short-term returns, and be capable of yielding recurrent earnings and/or capital gains.

2. Statement of compliance with IFRS and adoption of new and amended standards and interpretations

2.1. Statement of compliance with IFRS

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

2.2. Changes in accounting policies

2.2.1 Overall considerations

The Company has adopted the following new interpretations, revisions and amendments to IFRS issued by the International Accounting Standards Board, which are relevant to and effective for the Company's financial statements for the annual period beginning 1 January 2009:

- IAS 1 Presentation of Financial Statements (Revised 2007);
- IFRS 8 Operating Segments;
- Amendments to IFRS 7 Financial Instruments: Disclosures – improving disclosures about financial instruments;

Significant effects on current, prior or future periods arising from the first time application of these new requirements in respect of presentation, recognition and measurement are described in notes 2.2.2 to 2.2.4. An overview of standards, amendments and interpretations to IFRSs issued but not yet effective is given in note 2.2.5.

2.2.2 Adoption of IAS 1 Presentation of Financial Statements (Revised 2007)

The Company has adopted IAS 1 Presentation of Financial Statements (Revised 2007) in its financial statements. This standard has been applied retrospectively. The adoption of the standard does not affect the financial position or profits of the Company, but gives rise to additional disclosures.

The measurement and recognition of the Company's assets, liabilities, income and expenses are unchanged, however some items that were recognized directly in equity are now recognized in other comprehensive income, such as for example revaluation of property, plant and equipment.

IAS 1 (Revised 2007) affects the presentation of owner changes in equity with the income statement followed by the other comprehensive income. The 'Statement of recognized income and expenses (SORIE)', as was presented in the 2008 financial statements is no longer required. Further, a 'Statement of Changes in Equity' is presented.

2.2.3 Adoption of IFRS 8 Operating Segments

This standard has been applied retrospectively. The adoption of this standard has not affected the identified operating segments for the Company. However the accounting policy for identifying segments is now based on internal management reporting information that is regularly reviewed by the chief operating decision maker.

In contrast, IAS 14 required the Company to identify two sets of segments (business and geographical) based on risks and rewards of the operating segments. Refer to note 5 for further information about the entity's segment reporting accounting policies under IFRS 8.

2.2.4 Adoption of IFRS 7, Financial Instruments: Disclosures

The amendments require additional disclosures for financial instruments that are measured at fair value in the statement of financial position. These fair value measurements are categorized into a three-level fair value hierarchy, which reflects the extent to which they are based on observable market data. A separate quantitative maturity analysis must be presented for derivative financial liabilities that shows the remaining contractual maturities, where these are essential for an understanding of the timing of cash flows. The Company has taken advantage of the transitional provisions in the amendments and has not provided comparative information in respect of the new requirements.

2.2.5 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Company.

Management anticipates that all of the pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's financial statements.

IFRS 9 Financial Instruments (effective from 1 January 2013)

The IASB aims to replace IAS 39 Financial Instruments: Recognition and Measurement in its entirety by the end of 2010, with the replacement standard to be effective for annual periods beginning 1 January 2013. IFRS 9 is the first part of Phase 1 of this project. The main phases are:

Phase 1: Classification and Measurement
Phase 2: Impairment methodology
Phase 3: Hedge accounting

In addition, a separate project is dealing with derecognition.

Management has yet to assess the impact that this amendment is likely to have on the financial statements of the Company. However, they do not expect to implement the amendments until all chapters of the IAS 39 replacement have been published and they can comprehensively assess the impact of all changes.

3. Summary of significant accounting policies

3.1 Basis of presentation

The significant accounting policies that have been used in the preparation of these financial statements are summarized below.

The financial statements have been prepared using the historical cost convention, as modified by the revaluation of financial assets and financial liabilities, the measurement bases of which are described in the accounting policies below.

The preparation of financial statements in accordance with IFRS requires the use of certain accounting estimates and assumptions. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4 to the financial statements.

The financial statements are presented in accordance with IAS 1 Presentation of Financial Statements (Revised 2007). The Company has elected to present the 'Statement of Comprehensive Income' in one statement: the 'Statement of Comprehensive Income'.

3.2 Functional and presentation currency

The financial statements are presented in Euro (EUR) ("the presentation currency") which is also the functional currency of the Company.

3.3 Foreign currency translation

Transactions arising in currencies other than the functional currency of the Company are translated at exchange rates in effect on the transaction dates. Monetary assets and liabilities denominated in currencies other than the functional currency are translated at the prevailing exchange rates at the end of the reporting period. Translation gains and losses and expenses relating to foreign exchange transactions are recorded in the statement of comprehensive income.

3.4 Interest income

Interest income is recognized on a time proportion basis on the principal outstanding and at the applicable interest rate.

3.5 Financial assets

Financial assets, other than hedging instruments, are divided into the following categories: loans and receivables; financial assets at fair value through profit or loss; available-for-sale financial assets; and held-to-maturity investments.

Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired. Management re-evaluates this designation at each reporting date.

All financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the instrument. When financial assets are recognised initially, they are measured at fair value or in the case of investments not at a fair value through profit or loss, directly attributable transaction costs. After initial recognition, the Company measures financial assets and derivatives that are assets, at their fair values, without any deductions for transaction costs it may incur on sale of other disposal.

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. At the end of each reporting period, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exits, any impairment loss is determined and recognized based on the classification of the financial assets.

The Company's financial assets consist primarily of receivables and financial assets at fair value through profit or loss.

Receivables

All loans and receivables, except trustee loans, are non-derivative financial assets with fixed or determinable pay¬ments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss. The Company's trade and most other receivables fall into this category of financial instruments. Discounting, however, is omitted where the effect of discounting is immaterial.

Significant receivables are considered for impairment on a case-by-case basis when they are overdue at the end of the reporting period or when objective evidence is received that a specific counterparty will default.

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 by the entity to be carried at fair value through profit or loss upon initial recognition. By definition, all derivative financial instruments that do not qualify for hedge accounting fall into this category. Other financial assets at fair value through profit or loss held by the Company include listed and unlisted securities.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using industry standard valuation techniques where no active market exists.

3.6 Income taxes

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods that are unpaid at the end of the reporting period. 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 statement of comprehensive income.

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 Company are assessed for recognition as deferred tax assets.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognized to the extent that it is probable that they will be able to be offset against future taxable income. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss.

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 end of the reporting period. Most changes in deferred tax assets or liabilities are recognised as a component of tax expense in the statement of comprehensive income. 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.

3.7 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand as well as short term highly liquid investments such as money market instruments and bank deposits with an original maturity term of not more than three months.

3.8 Equity

Share capital is determined using the nominal value of shares that have been issued. Share premium includes any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Retained earnings include all current and prior period results as disclosed in the consolidated statement of changes in equity.

3.9 Financial liabilities

The Company's financial liabilities consist of other payables.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest related charges are recognised as an expense in finance costs in the statement of comprehensive income.

Other payables are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest rate method.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

3.10 Provisions, contingent liabilities and contingent assets

Provisions are recognized when present obligations will probably lead to an outflow of economic resources from the Company that can be reliably estimated. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events. Provisions are not recognized 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 end of the reporting period, including the risks and uncertainties associated with the present obligation. 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 the end of each reporting period and adjusted to reflect the current best estimate of the Company’s management.

The Company does not recognize a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.

A contingent liability also arises in the rare circumstance where there is a liability that cannot be recognized because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events that's existence will be confirmed by uncertain future events beyond the control of the Company. The Company does not recognize contingent assets but discloses their existence when inflows of economic benefits are probable, but not virtually certain.

3.11 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. Parties are considered to be related to the Company if:

(i) directly or indirectly, a party controls, is controlled by, or is under common control with the Company; has an interest in the Company that gives it significant influence over the Company; or has joint control over the Company;
(ii) a party is a jointly controlled entity;
(iii) a party is an associate; or
(iv) a party is a member of the key management personnel of the Company.
(v) a close member of the family of any individual referred to in (i) and (iv)

3.12 Segment reporting

An investment segment is a group of assets that are subject to risks and returns that are different from those of other business segments.

A geographical segment is a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

3.13 Earnings per share and net asset value per share

The Company presents basic earnings (loss) per share ("EPS") for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Net asset value (NAV) per share is calculated by dividing the net asset value attributable to ordinary shareholders of the Company by the number of outstanding ordinary shares as at the end of the reporting period. Net asset value is determined as total assets less total liabilities.

4. Critical accounting estimates and judgements

When preparing the financial statements the Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of other receivables

The Company's management determines the provision for impairment of other receivables on a regular basis. This estimate is based on the credit history of its debtors and prevailing market conditions.

Fair value of financial instruments

Listed securities are valued at their closing bid prices as of the last official close of the applicable exchange on the relevant valuation day. Securities traded on a securities exchange for which there has been no sale that day will be valued at the closing bid price on the relevant valuation day. Investments in unlisted securities for which an active OTC market exists are stated at fair value based upon price quotations received from at least three independent brokers.

Other unlisted securities, for which no active OTC market exists, are valued at fair value using a valuation technique determined by the Company and in accordance with International Accounting Standard and International Financial Reporting Standards.

5. Segment reporting

Segment information is presented in respect to the Company's investment and geographical segments. The primary format, investment segments, is based on the investment manager's management and monitoring of investments. Investments are allocated into the following main segments: banking & financial, oil & gas, chemical, pharmaceutical, infrastructure, F&B and other sectors and cash (including term deposits).

	As of 31 December 2009 EUR	%	As of 31 December 2008 EUR	%
Real estate & Infrastructure	14,167,614	26%	7,723,904	20%
Chemicals	5,333,463	10%	4,137,419	10%
Pharmaceuticals	3,323,931	6%	3,916,284	10%
Technology	8,142,356	15%	-	0%
Food & Beverage	8,165,284	15%	5,130,470	13%
Oil & Gas	3,146,020	6%	3,221,058	8%
Financial Services	7,261,699	14%	3,461,864	9%
Luxury Goods	784,909	1%	-	0%
General Industrials	-	0%	2,696,479	7%
Transportation	-	0%	704,427	2%
Utilities	-	0%	2,609,848	7%
Cash	1,781,824	3%	5,830,167	15%
Other Assets	1,539,522	3%	49,473	0%
	53,646,622	**100%**	39,481,393	100%

To determine the geographical segments for assets the following rules are applied:

- Listed shares – place of primary listing;
- Unlisted shares – place of incorporation of the issuer;
- Cash – place of deposit

	31 December 2009		31 December 2008	
	Vietnam EUR	**Outside Vietnam** EUR	Vietnam EUR	Outside Vietnam EUR
Listed shares	41,828,971	-	19,988,889	-
Unlisted shares	8,496,304	-	13,612,863	-
Cash and other assets	2,261,074	1,060,273	1,541,842	4,337,799
	52,586,349	**1,060,273**	35,143,594	4,337,799

Segmental liabilities are not disclosed as they are immaterial.

The only income derived from overseas segments is interest income and is immaterial.

6. Financial assets at fair value through profit and loss

	31 December 2009 EUR	31 December 2008 EUR
Ordinary shares – listed	**41,828,972**	20,763,792
Ordinary shares – unlisted	**8,496,304**	12,837,959
Total financial assets at fair value through profit or loss	**50,325,276**	**33,601,751**

7. Other receivables

	31 December 2009 EUR	31 December 2008 EUR
Receivable from Ampharco U.S.A (*)	**1,526,264**	-
Other receivables	**140,528**	137,119
	1,666,792	137,119

(*) Based on the Shares Transfer Agreement between the Company and Ampharco U.S.A Pharmaceutical Joint Stock Company in June 2009, the Company transferred 1,200,000 shares of Vietnam – Ampharco Joint Stock Pharmaceutical Company to Ampharco U.S.A Pharmaceutical Joint Stock Company. The payment is made in thirteen installments started since July 2009 and shall be ended in December 2011. The receivable is recognized at amortized cost using effective interest rate of 7%.

8. Cash and cash equivalents

	31 December 2009 EUR	31 December 2008 EUR
Cash in bank	**1,443,127**	611,346
Term deposit in bank	**338,697**	5,218,821
	1,781,824	5,830,167

9. Share Capital

	31 December 2009		31 December 2008	
Authorized:	**Number of Shares**	**EUR**	Number of Shares	EUR
Ordinary shares of EUR 2 each	**50,000,000**	**100,000,000**	50,000,000	100,000,000
Issued and fully paid:				
At 1 January	**21,745,510**	**43,491,020**	21,745,510	43,491,020
New shares issued	-	-	-	-
At 31 December	**21,745,510**	**43,491,020**	21,745,510	43,491,020

10. Share premium

Share premium represents the excess of consideration received over the par value of shares issued less the transaction costs associated with the issuance of shares.

	31 December 2009 EUR	31 December 2008 EUR
1 January	**7,881,004**	7,881,004
Share premium during the year	**-**	-
31 December	**7,881,004**	7,881,004

11. Other payables

	31 December 2009 EUR	31 December 2008 EUR
Payables to related party- Management fees (see note 18)	**89,560**	65,738
Other payables	**42,710**	23,935
	132,270	89,673

12. Net changes in fair value of financial assets at fair value through profit or loss

	Year ended 31 December 2009 EUR	Year ended 31 December 2008 EUR
Unrealized investment gain/(loss)	**12,457,072**	(12,955,742)
Realized investment gain	**5,169,782**	437,175
	17,626,854	(12,518,567)

13. General and administration expenses

	Year ended 31 December 2009 EUR	Year ended 31 December 2008 EUR
Management fees (Note 18)	**970,375**	943,252
Director fees (Note 18)	**23,349**	16,472
Professional fees	**56,394**	62,274
General administration expenses	**58,598**	55,733
Other expenses	**98,172**	78,850
	1,206,888	1,156,581

14. Financial income

	Year ended 31 December 2009 EUR	Year ended 31 December 2008 EUR
Interest income from amortisation of loan receivable	**52,962**	88,836
Dividend income	**859,142**	941,085
Interest from bank deposit	**80,265**	864,549
	992,369	1,894,470

15. Financial expense

	Year ended 31 December 2009 EUR	Year ended 31 December 2008 EUR
Realized loss from foreign exchange difference	**600,890**	29,275
Unrealized loss from foreign exchange difference	**2,646,216**	722,664
	3,247,106	751,939

16. Corporate income tax

The Company 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.

Although the Company is incorporated in the Cayman Islands where it is exempted from tax, the Company's activities are primarily focused on Vietnam. In accordance with the prevailing tax regulations in Vietnam, if an entity was treated as having a permanent establishment, or as otherwise being engaged in a trade or business in Vietnam, the income attributable to or effectively connected with such permanent establishment or trade or business may be subject to tax in Vietnam. As at the date of this report the following information is uncertain:

• Whether the Company is considered as having permanent establishments in Vietnam; and
• The amount of tax that may be payable, if the income is subject to tax.

The implementation and enforcement of tax regulations in Vietnam can vary depending on numerous factors, such as the interpretation of the tax rules by the specific tax authority involved. The administration of laws and regulations by the local or provincial tax departments may be subject to considerable discretion, and in many areas, the legal framework is vague, contradictory and subject to conflicting interpretation. The Company's Directors believe that it is unlikely that the Company incorporated in the Cayman Islands will be exposed to tax liabilities in Vietnam, and in the worst case, if tax is imposed on income arising in Vietnam it will not be applied retrospectively.

17. Earnings per share

(a) Basic

Basic earnings per share are calculated by dividing the profit (loss) attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

	31 December 2009	31 December 2008
Profit/(loss) attributable to owners of the Company	**14,165,229**	(12,532,617)
Weighted average number of ordinary shares outstanding	**21,745,510**	21,745,510
Basic earnings per share (EUR per share)	**0.65**	(0.58)

(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 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

Net asset value (NAV) per share is calculated by the dividing the net asset value attributable to ordinary shareholders of the Company by the number of outstanding ordinary shares as at the end of the reporting period. Net asset value is determined as total assets less total liabilities and non-controlling interest.

18. Related party transactions

Management fees

The Company is managed by Saigon Asset Management Corporation (the "Investment Manager"), an exempted company formed under the Law of the Cayman Islands, and changed its old name from Anpha Capital Group on 3 July 2008. Under the Management Agreement (the "Management Agreement") dated 1 October 2007 between the Company and Investment Manager, the Investment Manager is entitled to receive a management fee based on the net asset value of the Company, payable monthly in arrears, at an annual rate of 2%.

Total management fees for the year amounted to EUR970,375 with EUR89,560 in outstanding accrued fees due to the Investment Manager at the end of the reporting period (2008: EUR943,252).

Performance fees

In accordance with the Management Agreement, the Investment Manager is also entitled to receive a performance fee equal to 20% of the annual increase in Net Asset Value over an annualized compounding hurdle rate of 8%.

No performance fee is payable for the period due to the non-achievement of the above requirements.

Placement fees

When raising capital through the issuance of new Ordinary Shares, a commission equal to 3.5% of the subscription price multiplied by the total number of the shares allotted by the Company on admission is payable by the Company to the Investment Manager. The Investment Manager is responsible for paying placing agents that are engaged in respect to such subscriptions. The net proceeds of share subscriptions are recorded after netting off placement fees.

Director fees

The aggregate director fees payable to the directors of the Company for the year ended 31 December 2009 was EUR23,349 (2008: EUR16,472)

19. Risk management objectives and policies

The Company invests in listed and unlisted equity instruments with the objective of achieving capital appreciation and providing investors with an attractive level of investment income from dividends.

The Company 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 Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company's risk management is coordinated by its Investment Manager who manages the distribution of the assets to achieve the investment objectives. The most significant financial risks to which the Company is exposed are described below:

Foreign currency risk

The Company invests in financial instruments and enters into transactions denominated in currencies other than its reporting currency of Euro. Therefore, the Company is exposed to risks that the exchange rate of its currency relative to other currencies may change and have an adverse effect on the value of the Company's assets or liabilities denominated in currencies other than Euro.

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

The Company's exposure to fluctuations in foreign currency exchange rates at the end of the reporting period was as follows:

	31 December 2009 EUR	31 December 2008 EUR
Assets denominated in Vietnamese Dong	**52,330,765**	34,989,005

Sensitivity analysis to a reasonably possible change in exchange rates

As all financial assets at fair value through profit and loss are denominated in Vietnamese Dong (VND) while the functional and presentation currency are in EUR, therefore a 5% devaluation of the VND against EUR at the end of the year ended 31 December 2009 and 31 December 2008 would have impacted net income of the Company's equity by the amount shown below. This sensitivity analysis assumes that all other variables remain constant.

	31 December 2009 EUR	31 December 2008 EUR
5% devaluation of the Vietnam Dong	**(2,491,941)**	(1,666,143)

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 all factors affecting all instruments traded in the market. As the majority of the Company's financial instruments are carried at fair value with fair value changes recognized in the statement of comprehensive income, all changes in market conditions will directly affect net investment income.

The Company's equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Investment Manager provides the Company with investment recommendations that are consistent with the Company's objectives. The Investment Manager's recommendations are approved by an Investment Committee before investment decisions are implemented.

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 Company is monitored by the Investment Manager on a weekly and monthly basis and reviewed by the Board of Directors on a quarterly basis.

Cash flow and fair value interest rate risks

The majority of the Company's financial assets are non-interest bearing. The Company currently has no financial liabilities with floating interest rates. As a result, the Company is not exposed to cash flow interest rate risk. Any excess cash and cash equivalents are invested at short-term market based interest rates.

Credit risk

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 Company at the end of the reporting period.

All transactions in listed securities are settled/paid for 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 carrying amount of other receivables and loans represent the Company's maximum exposure to credit risk in relation to its financial assets. The Company has no other significant concentrations of credit risk.

In accordance with the Company's policy, the Investment Manager monitors the Company's credit position on a monthly basis.

Liquidity risk

Liquidity risk is defined as the risk that the Company may not be able to settle or meet its obligations on time or at a reasonable price. The Company adopts its risk management guidelines which are designed to minimize its liquidity risk through:

- Monitoring its exposure to illiquid or thinly traded investments and financial instruments, and
- Applying limits to ensure there is no concentration of liquidity risk with a particular counterparty or market.

The Company also regularly monitors current and expected liquidity requirements to ensure that the Company maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

20. Subsequent events

As of the date of issuance of the financial information, the aggregate fair value of the Company's financial assets at fair value through profit or loss has decreased to EUR49,387,627 from the aggregate fair value of EUR50,325,276 as of 31 December 2009 . The decrease was mainly due to a slight decline in share prices in Vietnam stock market as at 28 February 2010. The management believes that the fall is a temporary correction of the stock market and consequently no adjustment has been made in the financial information as at 31 December 2009 and for the year ended 31 December 2009. The details are as follows:

	31 December 2009 EUR	28 February 2010 EUR	Movement EUR
Financial assets at fair value through profit or loss:			
Ordinary shares – unlisted	**8,496,304**	8,222,345	(273,959)
Ordinary shares – listed	**41,828,972**	41,165,282	(663,690)
	50,325,276	**49,387,627**	**(937,649)**

21. Authorization of financial statements

The financial statements were authorised for issue by the Directors on 09 April 2010

CORPORATE INFORMATION

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Louis Nguyen
Kathryn Vagneur

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