

Financial statements and auditors' report

Vietnam Equity Holding

31 December 2008

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Report of the Board of Directors

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 2008.

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

Results and dividend

The results of the Company for the year ended 31 December 2008 and the state of its affairs as at that date are set out in the financial statements on pages 5 to 19.

The Board of Directors does not recommend the payment of dividends 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/Resigned 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
Bui Cong Giang	Executive Director	1 October 2007/20 May 2008

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 2008 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 consolidated 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 balance sheet, statements of 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 2008 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: May 27, 2009

Auditors' Report

**On the financial statements of
Vietnam Equity Holding
for the year ended 31 December 2008**

Grant Thornton (Vietnam) Ltd.
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No HCM/09/005
To the Shareholders of
Vietnam Equity Holding

We have audited the accompanying financial statements of Vietnam Equity Holding (“the Company”) which comprise the balance sheet as at 31 December 2008, and the related statements of income, changes in equity and 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.

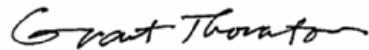
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 2008, 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: May 27, 2009

Balance Sheet

	Notes	31 December 2008 EUR	31 December 2007 EUR
ASSETS			
Current assets			
Cash and cash equivalents	6	5,830,167	49,009,587
Financial assets at fair value through profit and loss	7	33,601,751	2,983,817
Other receivables		137,119	73,821
Other current assets		2,029	573,163
Total assets		39,571,066	52,640,388
RESOURCES			
Equity			
Share capital	8	43,491,020	43,491,020
Share premium	9	7,881,004	7,881,004
Retained earnings		(11,890,631)	641,986
Total Equity		39,481,393	52,014,010
Current liabilities			
Other payables	10	89,673	626,378
Total Equity and liabilities		39,571,066	52,640,388
Net assets per share (EUR per share)		1.816	2.392

Statement of Changes in Equity

	Share capital	Share premium	Retained earning	Total Equity
	EUR	EUR	EUR	EUR
Issuance of new shares	43,491,020	7,881,004	-	51,372,024
Net profit for the year	-	-	641,986	641,986
Balance at 31 December 2007	43,491,020	7,881,004	641,986	52,014,010
Balance at 1 January 2008	43,491,020	7,881,004	641,986	52,014,010
Net 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

Statement of Income

	Notes	For the year ended 31 December 2008	Period from 9 August 2007 to 31 December 2007
		EUR	EUR
Net changes in fair value of financial asset at fair value through profit and loss	11	(12,518,567)	819,285
General and administration expenses	12	(1,156,581)	(229,390)
Profit/(Loss) from operations		(13,675,148)	589,895
Finance income	13	1,894,470	178,832
Finance expense	14	(751,939)	(126,741)
Profit before tax		(12,532,617)	641,986
Corporate income tax	15	-	-
Net profit (loss)		(12,532,617)	641,986
Attributable to shareholders		(12,532,617)	641,986
Attributable to minority interests		-	-
Earnings per share – basic and diluted (EUR per share)	16	(0.58)	0.04

Statement of Cash Flows

	31 December 2008	Period from 9 August 2007 to 31 December 2007
	EUR	EUR
Cash flows from operating activities		
Profit/ (loss) before tax	(12,532,617)	641,986
Adjustments for:		
(Gain)/ loss on revaluation of financial assets	12,955,742	(819,285)
Loss on foreign currency translation	769,668	126,741
Gain from disposal of investments	(437,175)	-
Interest and dividend income	(1,894,470)	(178,832)
Change in other receivables	636,064	(573,163)
Change in other payables	(536,705)	197,424
Net cash flow used in operating activities	(1,039,493)	(605,129)
Cash flows from investing activities		
Purchase of financial assets	(45,490,619)	(2,291,273)
Proceeds from disposal of financial assets	1,584,450	-
Interest received	953,385	172,794
Dividends received	812,857	-
Net cash outflow from investing activities	(42,139,927)	(2,118,479)
Cash flows from financing activities		
Proceeds from shares issued	-	53,167,678
Payment for placement fee	-	(1,434,483)
Net cash inflow from financing activities	-	51,733,195
Net increase/(decrease) in cash and cash equivalents	(43,179,420)	49,009,587
Cash and cash equivalents, beginning of the year	49,009,587	-
Cash and cash equivalents, end of the year	5,830,167	49,009,587

The accompanying notes are an integral part of these statements

Notes to the 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 IASB and the International Financial Reporting Interpretations Committee have issued various standards and interpretations with an effective date after the date of this financial information. The Company has not elected for early adoption of the standards and interpretations that have been issued as they are not yet effective. The most relevant for the Company are IAS 1 (Revised 2007) “Presentation of the Financial Statements” (effective for periods beginning on or after 1 January 2009) and IFRS 8 “Operating Segments” (effective for periods beginning on or after 1 January 2009).

Upon adoption of IAS 1 (Revised 2007), the Company will disclose its capital management objectives, policies and procedures in each annual financial report and will have its capital movements and other gains and losses presented separately in the statement of changes in equity and statement of recognised income and expenses. Upon adoption of IFRS 8, the Company will disclose segmental information when evaluating performance and deciding how to allocate resources to operations.

The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the financial statements in the period of initial application.

Adoption of IFRS 7, Financial Instruments: Disclosures

IFRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. The Company has applied IFRS 7 from the period beginning 9 August 2007.

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 summarised below.

The financial statements have been prepared using the historical cost convention, as modified by the revaluation of investment property, leasehold land and certain 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.

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 presentation 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 presentation currency are translated at the prevailing exchange rates at the balance sheet date. Translation gains and losses and expenses relating to foreign exchange transactions are recorded in the statement of 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 or 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 each balance sheet date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, any impairment loss is determined and recognised 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 payments 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 balance sheet date 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 balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the statement of 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 recognised 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 balance sheet date. Most changes in deferred tax assets or liabilities are recognised as a component of tax expense in the statement of 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 equity are charged or credited directly to equity.

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.

3.9 Financial liabilities

The Company's financial liabilities consist of other payables.

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 expires.

3.10 Provisions, contingent liabilities and contingent assets

Provisions are recognised 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 recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the balance sheet date, 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 each balance sheet date and adjusted to reflect the current best estimate of Company's management.

The Company does not recognise 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 recognised 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 recognised 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 recognise 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:

1. 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;
2. a party is a jointly-control entity;
3. a party is an associate; or
4. a party is a member of the key management personnel of the Company.
5. a close member of the family of any individual referred to in (1) and (4).

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 the 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 balance sheet date. 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 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).

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;

Segmental liabilities are not disclosed as they are immaterial.

6 Cash and cash equivalents

	2008	2007
	EUR	EUR
Cash in bank	611,346	22,709,587
Term deposit in bank	5,218,821	26,300,000
	5,830,167	49,009,587

7 Financial assets at fair value through profit and loss

	2008	2007
	EUR	EUR
Ordinary shares – listed	20,763,792	-
Ordinary shares – unlisted	12,837,959	2,983,817
Total financial assets at fair value through profit or loss	33,601,751	2,983,817

8 Share capital

	2008		2007	
	Number of shares	EUR	Number of shares	EUR
Authorized:				
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	-	-
New shares issued	-	-	21,745,510	43,491,020
At 31 December	21,745,510	43,491,020	21,745,510	43,491,020

9 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.

	2008	2007
	EUR	EUR
1 January	7,881,004	-
Share premium during the year	-	9,744,441
Placement fees	-	(1,863,437)
31 December	7,881,004	7,881,004

10 Other payables

	2008	2007
	EUR	EUR
Payables to related party- Management fee (see note 17)	65,738	171,144
Payables to related party- Placement fee (see note 17)	-	428,954
Other payables	23,935	26,280
	89,673	626,378

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

	2008	2007
	EUR	EUR
Unrealized gain/(loss)	(12,955,742)	819,285
Realized gain	437,175	-
	(12,518,567)	819,285

12 General and administration expenses

	2008	2007
	EUR	EUR
Management fees (Note 17)	943,252	197,366
Director fees (Note 17)	16,472	2,813
Professional fees	62,274	6,134
General administration expenses	55,733	22,024
Other expenses	78,850	1,053
	1,156,581	229,390

13 Financial income

	2008	2007
	EUR	EUR
Interest income	88,836	178,832
Dividend	941,085	-
Interest from bank deposit	864,549	-
	1,894,470	178,832

14 Financial expense

	2008	2007
	EUR	EUR
Realized loss from foreign exchange difference	29,275	-
Unrealized loss from foreign exchange difference	722,664	126,741
	751,939	126,741

15 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.

16 Earnings per share

(a) Basic

Basic earnings per share is 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 2008	31 December 2007
Profit/(loss) attributable to equity holders of the Company	(12,532,617)	641,986
Weighted average number of ordinary shares outstanding	21,745,510	16,586,781
Basic earnings per share (EUR per share)	(0.58)	0.04

(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.

17 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 EUR943,252 with EUR65,738 in outstanding accrued fees due to the Investment Manager at the end of the period.

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 annualised 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 2008 was EUR16,472 (period from 9 August 2007 to 31 December 2007: EUR2,813)

Acquisitions of unlisted shares from related parties

During the year, the Company acquired 264,000 shares of Phu My Bridge Company for EUR4,018,093 from Desmond Lin, managing director of the Investment Manager. The said transaction was presented to the Investment Committee and was approved based on full disclosure of conflict of interest, reasonable due diligence and competitive price valuation.

18 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 programme focuses on the unpredictability of financial markets and seeks to minimise 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 enter 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 balance sheet date were as follows:

	31 December 2008	31 December 2007
	EUR	EUR
Assets denominated in Vietnamese Dong	34,989,005	6,427,976

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 recognised in the income statement, 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 balance sheet date.

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.

19 Subsequent events

Subsequent to the year ended 31 December 2008, global markets were sharply affected by the worldwide financial crisis. As the extent of the credit crisis became clear the market turmoil spread to emerging markets including the Vietnam stock market.

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 EUR31,848,071 from the aggregate fair value of EUR33,601,751 as of 31 December 2008. The decrease is mainly due to a general decline in share prices in Vietnam. The management believes that the fall is temporary and consequently no adjustment has been made in the financial information as at 31 December 2008 and for the year ended 31 December 2008. The details are as follows:

	31 December 2008	Fair value 31 March 2009	Movement
	EUR	EUR	EUR
Financial assets at fair value through profit or loss:			
Ordinary shares – unlisted	12,837,959	12,548,920	(289,039)
Ordinary shares – listed	20,763,792	19,299,151	(1,464,641)
	33,601,751	31,848,071	(1,753,680)

20 Comparative figures

The comparative figures for the statements of income, cash flow, statement of changes in equity and related notes, included for comparative purpose are for the period from 9 August 2007 to 31 December 2007.

21 Authorisation of financial statements

The financial statements were authorised for issue by the Directors on May 27, 2009.