



VIETNAM ENTERPRISE
INVESTMENTS LIMITED

INTERIM REPORT 2012

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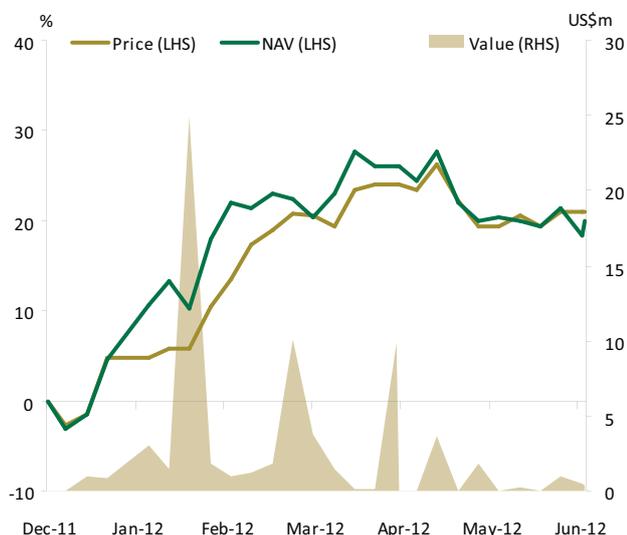
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We are conscious of the effects we have on our environment and the positive difference we can make to our communities. It is of paramount importance to us that we are not only conscious of this, but take action to do all we can to make a positive contribution. To help combat global warming, Dragon Capital has been Carbon Neutral since 2005, and currently supports the 8 megawatts hydro plant on the Dak Rung stream in Dak Nong Province Vietnam. This renewable energy power plant delivers 31,492 megawatt hours of green electricity to the power grid each year. Emissions reductions from the project are verified and certified to the Voluntary Carbon Standard.

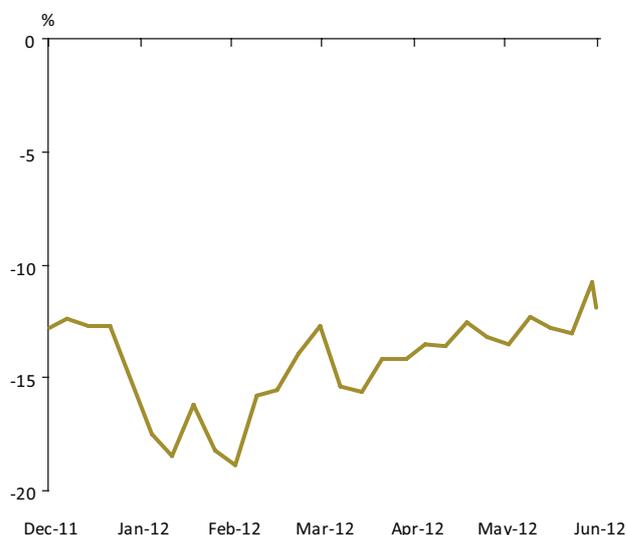
SUMMARY OF KEY FINANCIAL INFORMATION

Share Price & Net Asset value ("NAV")



Source: Dragon Capital

Discount to NAV



Source: Dragon Capital

Performance

	30 June 2012	31 December 2011	% Change
Total net assets	US\$409,126,694	US\$330,132,365	23.93
Number of outstanding shares	173,823,000	168,110,672	3.40
NAV per share	US\$2.35	US\$1.96	19.90
Share price (mid-price)	US\$2.07	US\$1.71	21.05
Discount	-11.91%	-12.76%	-6.66
US\$/VND exchange rate	20,878	21,049	-0.81
VN Index (price return - VND terms)	422.37	351.55	20.15
VN Index (total return - US\$ terms) Source: Bloomberg	n/a	n/a	23.92

Period's High and Low (US\$)

	Year to 30 June 2012		Year to 31 December 2011	
	High	Low	High	Low
NAV per share	2.50	1.90	2.50	1.96
Share price (mid-price)	2.16	1.67	2.06	1.71

Source of Income (US\$)	Six months ended 30 June 2012	Six months ended 30 June 2011	% Change
Dividend income	11,606,095	4,201,716	176.22
Interest income	174,958	446,416	-60.81
Total income	11,781,053	4,648,132	153.46

Paving the way for economic recovery

After two years of painful monetary and fiscal discipline, Vietnam has broken the boom/bust cycle and its economy is now on a sound footing for "growth with stability". As a result, foreign exchange ("FX") reserves have doubled and the local currency, Vietnamese Dong ("VND"), has stabilised during the last 18 months. The trade deficit as a percentage of GDP dropped from 22% in 2008 to 2.1% in July 2012 and inflation dropped to 5% in August 2012. Key economic reforms initiated at the beginning of 2011 produced some encouraging results. However, the banking sector reform will need a further push to resolve the non-performing loan ("NPL") problem and to eliminate weak banks that leave the whole system vulnerable. Growth, having slumped to only 4.4% in the second quarter of 2012 on the back of necessary retrenchment, is expected to reach its bottom in late 2012 or early 2013.

On 20 August 2012, the Vietnamese financial markets were shaken by news that one of the founders of Asia Commercial Bank ("ACB") was arrested on charges of illegal activities in respect of his private companies. The unofficial United States Dollar ("US\$")/VND exchange rate briefly shot up to US\$/VND 21,100 but then settled comfortably within the trading band at US\$/VND 20,950, an important indication that local confidence was restored and remained intact. Interbank interest rates also returned to normal levels, with overnight rates dropping from 8% down to 3%, thanks to SBV's prompt infusion of additional liquidity to stabilise the market. During the last monthly cabinet meeting, Mr. Vu Duc Dam, the Government Office's spokesman, assured the public, referring to recent events, that any future actions taken by the Government would have limited impact on the markets, and that the Government remained determined to improve governance in the banking sector.

Meanwhile all macro indicators have improved. The consumer price index ("CPI") year-on-year ("YoY") growth peaked at 23.1% in August 2011, and has been on a downtrend ever since. The August 2012 CPI came out at 0.63% month-on-month ("MoM"), resulting in inflation of 2.9% year-to-date ("YTD"). A significant spike in corn, soybean, and wheat prices in July 2012 will inevitably impact animal feed prices which are a major components of the CPI. However, given weak aggregate demand, prolonged monetary and fiscal policy tightening, and improved agri-commodity supply, we expect the impact on inflation to be limited and, as a result, the CPI to reach 6-6.5% by the end of 2012.

Total credit growth has been slowing sharply for some months. At the end of July 2012, credit growth recorded a meager 0.57% YTD and 2.6% YoY, which is very low compared to the average of 32% YoY credit growth during the 2005-2010 period. The big gap between M2 (being money and close substitutes for money) and credit growth suggests that lending rates need to come down more to stimulate borrowing demand and we therefore forecast credit growth to reach only 5-7% in 2012. When a central bank's independence is limited, monetary policy is no longer the only tool in managing inflation. Instead fiscal policy and state sector investment efficiency become equally important tools. The Government therefore imposed stricter limits on non-core businesses of state owned enterprises ("SOEs"), reducing the capital used for non-core business to 30% of paid-in capital in 2010 and to 15% in 2011. That explains the wave of recent divestments by SOEs despite cheap valuations. Investment as a percentage of GDP has reduced significantly from 45% in 2010 to below 38% in 2011 whilst the share of SOE investment in total investment dropped from 43% in 2010 to 34% in the first half of 2012. The newly elected Minister of Finance reconfirmed that SOEs need to cut down their investment programme and continue to sell their non-core businesses.

The trade deficit has improved steadily since 2008. The 12-month rolling core trade deficit (defined as trade balance excluding oil and gold) declined from US\$14.1 billion in 2010 to US\$8.8 billion in 2011, and dropped to only US\$2.6 billion in June 2012. As a percentage of GDP, the trade deficit peaked in 2008 at 22% and has since fallen to 2.1% as of June 2012. In the first six months of 2012, exports grew by 26% against the same period YoY whilst imports increased significantly less up 8.7%. Meanwhile, quarter-on-quarter ("QoQ") core export growth accelerated from 17% in January to 31% in June whilst core import growth was merely 11.5% in June 2012. This is quite impressive given the global emerging market export slowdown. However, given the seasonality and the deleveraging of the economy, we expect export growth to come down to 20% whilst import growth may reach 11% for 2012. As a result, the trade deficit is forecasted to reach US\$2.2 billion by the end of 2012. Given the volatility of imports and exports, it is extremely difficult to correctly forecast the absolute trade deficit, but in light of these positive developments it is safe to say that the trade deficit will not be a concern in the near future.

The local currency will be the acid test by which the success of reforms will be measured. Since 2008, VND devalued 30% against US\$ as a result of high inflation and lack of confidence in the system. The last devaluation took place in February 2011 when the State Bank of Vietnam ("SBV") raised the US\$ reference exchange rate from 18,932 to 20,693 and narrowed the trading band from $\pm 3\%$ to $\pm 1\%$. In practice this meant that the commercial rate, at the top of the band where corporate deals actually take place, increased from VND19,500 to 20,900. This was equivalent to a devaluation of 7.2% which was the country's single largest devaluation since 1998. Since then the US\$/VND unofficial market rate has come down sharply from VND22,500 to 20,860, equivalent to a 7.2% appreciation, and has remained stable ever since mainly owing to the Government's follow-up measures. The interbank rate decreased from VND21,700 to 20,860 and is now trading inside the trading band. After years of disparity we are starting to see the US\$/VND unofficial market rate trading in-line with the interbank market which is a key indicator to prove there is growing local confidence in the local currency.

SBV bought approximately US\$6.5 billion in 2012 to increase its FX reserves. This should bring FX reserves, according to our estimates, to close to US\$20 billion in July 2012, which is a significant increase compared to 2010 when FX reserves dropped to below US\$10 billion or to the end of 2011 when FX reserves stood at US\$13.5 billion. The aggressive build-up of FX reserves will provide more liquidity in the banking system and help with the process of lowering interest rates. SBV has learnt its lesson from failing to sterilise strong foreign inflows in 2007 and has initiated the issuance of a T-bill programme to absorb excess liquidity from the banking system.

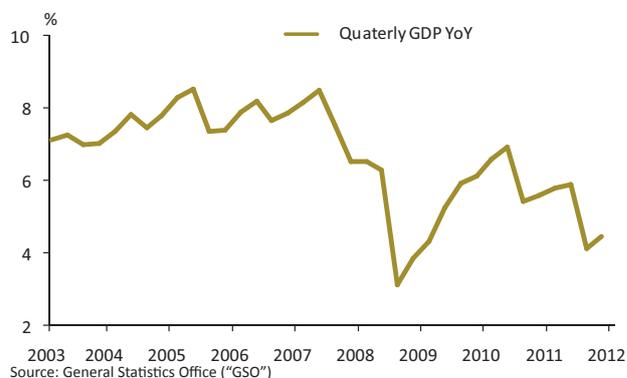
NPLs have been a concern for the banking sector in Vietnam since last year. At the end of June 2012, official statistics reported NPLs (as reported in the balance sheet of all banks) at 4.5%. However, this stands in stark contrast to the announcement of SBV's Supervisory Division which disclosed NPLs of 8.6% at the end of Mar 2012 and to the testimony of SBV's governor Binh to the National Assembly in June 2012 in which he estimated NPLs at around 10%. It is an encouraging sign that SBV is willing, for the first time, to admit the magnitude of the NPL problem. There are outstanding loans to the tune of US\$124 billion. Assuming NPLs of 10%, we have US\$12.4 billion in bad debts. These loans are 1.35x collateralised. However, based on a small number of representative samples of collaterals, we believe it is necessary to adjust the collateral value to better reflect the actual market conditions. We therefore reduced, based on our calculation, the ratio of collateral over loan values to 0.72x to be on the safe side. This implies that the total of uncovered NPLs amounts to around US\$3.5 billion which we believe Vietnam will be able to absorb over the next one to two years.

Retail sales grew 20% during the first half of 2012, decelerating from 22% growth in the first half of 2011. If adjusted for inflation, retail sales grew 6.5%, a bit higher than the 5.7% posted during the same period last year. Retail sales were surprisingly robust which is probably due to substantial private savings in the economy. Nonetheless, we expect retail sale volume growth to be weak in the near future with lending rates still high at 14-16% and economic prospects having yet to brighten.

In the second quarter, GDP accelerated to 4.7% YoY compared to 4.1% in the first quarter, resulting in a slow-down of GDP growth to 4.4% in the first half of 2012. Given the lack of credit growth in the first half, industrial & construction was again, as expected, the main culprit for the slow down of GDP growth, declining from 5.8% in the first half of 2011 to 3.8% in the first half of 2012. Services were a smaller factor, falling from 6.2% in the first half of 2011 to 5.6% in the first half of 2012. Agriculture was no exception and slowed, too, from 3.9% in the first half of 2011 to 2.8% in the first half of 2012. Growth in the second half is hardly expected to accelerate much as the economy is still in a restructuring process, which will take some time. We therefore expect GDP to grow only 4.9-5.1% in 2012, lower than the Government's reduced target of 5.5-6%.

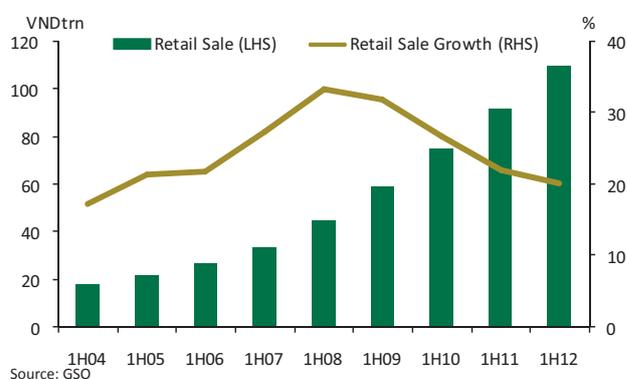
Real GDP Growth

GDP growth slowed to 4.4% in the first half of 2012. The key driver for the slow-down was primarily industrial & construction which dropped from 5.8% in the first half of 2011 to 3.8% in the first half of 2012. Services and agriculture were smaller factors in the slow-down. Growth in the second half is unlikely to accelerate much as the on-going economic restructuring will need more time to gain traction. We therefore expect GDP growth to reach only 4.9-5.1% in 2012, which is lower than the Government's reduced target of 5.5-6%.



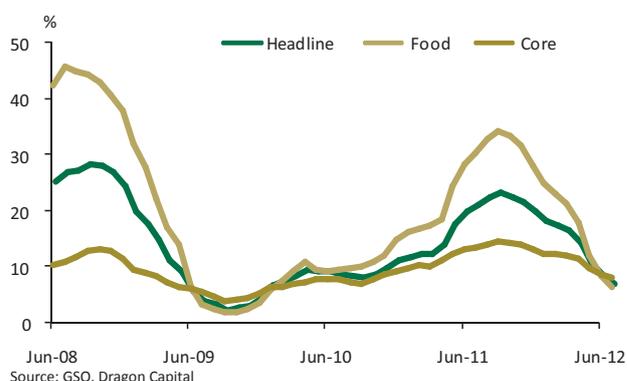
Retail Sales

Retail sales grew 20% during the first half of 2012, decelerating from 22% growth in the first half of 2011. If adjusted for inflation, retail sales grew 6.5%, marginally higher than the 5.7% posted during the same period last year. Despite the economic slow-down retail sales held up reasonably well, thanks to substantial private savings in the economy. However, retail sales volume growth will be weak in the near future with lending rates still high at 14-16% and economic prospects having yet to brighten.



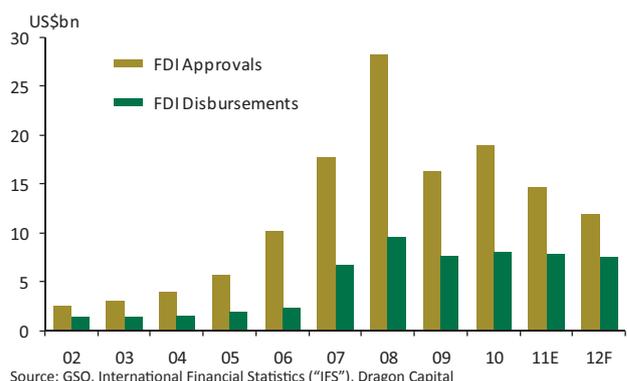
Inflation

Inflation has been on a downtrend ever since it peaked at 23.1% in August 2011, coming in at 5% YoY in August and 2.9% YTD. A significant spike in corn, soybean, and wheat prices in July 2012 will inevitably affect animal feed prices which are a major components of the CPI. However, given weak aggregate demand, prolonged monetary and fiscal policy tightening, and improved agri-commodity supply, we expect the impact on inflation to be limited and inflation to reach, as a result, around 6-6.5% by the end of 2012.



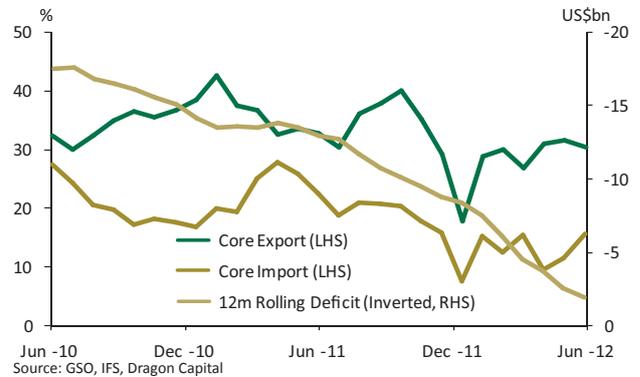
Foreign Direct Investment

Foreign direct investment ("FDI") approvals in the first half of 2012 reached only US\$6.4 billion, down 28% against the same period last year. FDI approvals for real estate increased from US\$0.3 billion to US\$1.6 billion against the same period last year while manufacturing posted an impressive increase to US\$4.0 billion, up 21% or nearly 65% of total FDI. FDI disbursement was still strong at US\$5.4 billion, up 1.9%, but in view of the weakening global economy we expect a drop in FDI disbursement from US\$8 billion in 2011 to US\$7.5 billion in 2012.



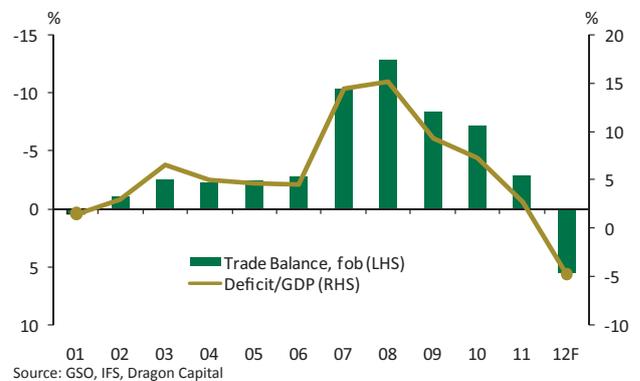
Export and import

QoQ core export growth remained strong at 31% in June, which is encouraging given the weakening US and EU economy. Meanwhile QoQ core import growth slowed to 11.5% as of June, compared to 22.5% during the same period last year. Import growth was led by materials import for export manufacturing and capital investment rather than consumption import which, QoQ in July, slowed from -1.8% to -4.7%. That hints that exports may continue to outperform imports in the second half of 2012.



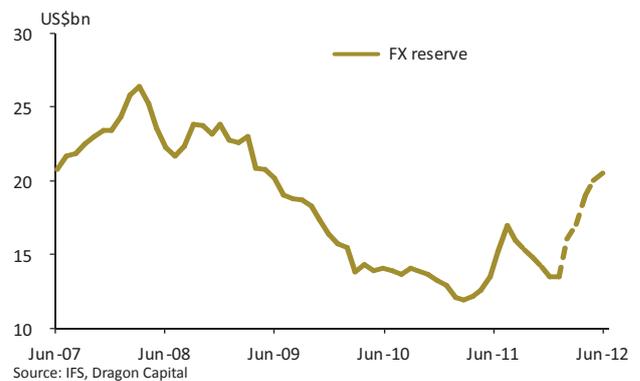
Trade Deficit

The trade balance continued to fall in the first half of 2012 as exports consistently outpaced imports. Total exports were US\$9.9 billion while imports were US\$9.5 billion, resulting in a US\$400 million trade surplus in the first half. The core trade deficit, on a 12-month rolling basis, fell drastically from -US\$12.8 billion in June 2011 to -US\$2.6 billion in June 2012. This huge drop is not just a reflection of a strong export performance but also of a falling investment and consumption demand. We forecast trade deficit (cost, insurance, freight (CIF)) to come in at US\$2.2 billion for 2012, much lower than most forecasts.



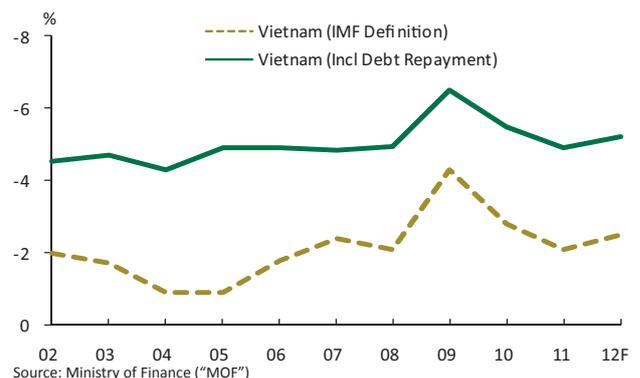
Foreign Currency Reserve

SBV bought approximately US\$6.5 billion in 2012 to increase its FX reserves. As a result, FX reserves increased, according to our estimates, to close to US\$20 billion in July 2012. This is a significant improvement compared to 2010 when FX reserves dropped below US\$10 billion and will help to provide the banking system with more liquidity and help lower interest rates. SBV learnt its lesson from failing to sterilise strong foreign inflows in 2007 and has initiated the issuance of a T-bill programme to absorb excess liquidity from the banking system.



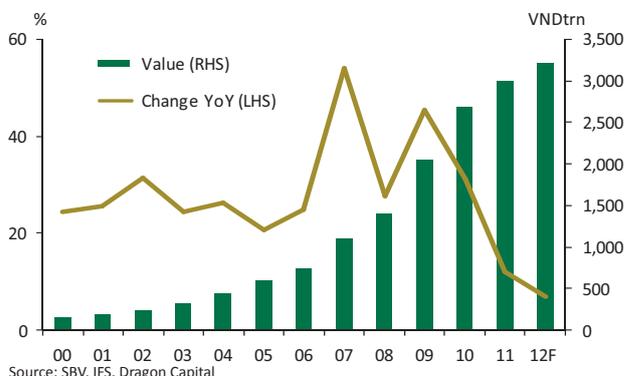
Fiscal Balance

The budget deficit in 2011 came in at 4.9%, in line with the plan, whilst the budget deficit in the first half of 2012 alone was 4.6%. However, if debt repayments are excluded, there was a budget deficit of 2.1%. Given that we expect GDP growth of below 5%, and the weak economic growth has drastically reduced fiscal revenues, the budget deficit will likely reach 5.2–5.5% in 2012, which is higher than the target of 4.8%. However, the slow-down in SOE investments should help provide a counterbalance and thus show an improvement in the off-budget balance.



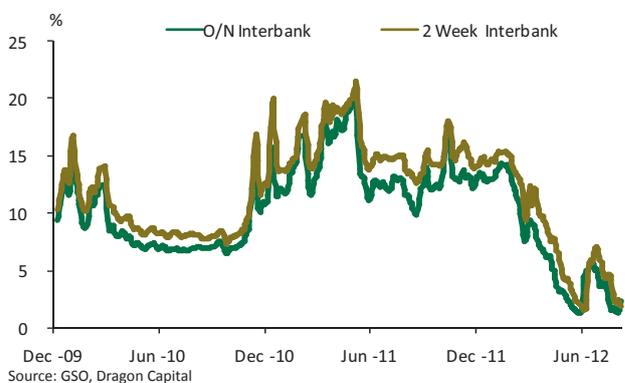
Credit Growth

Given that inflation control is the Government's top priority, they have set the credit growth ceiling at 15% and the M2 growth at 14%. Despite the M2 growth of 8.6% YTD, credit growth continued to decelerate sharply. The big gap between M2 and credit growth suggests that lending rates need to come down more to stimulate borrowing demand. We forecast only 5-7% credit growth in 2012.



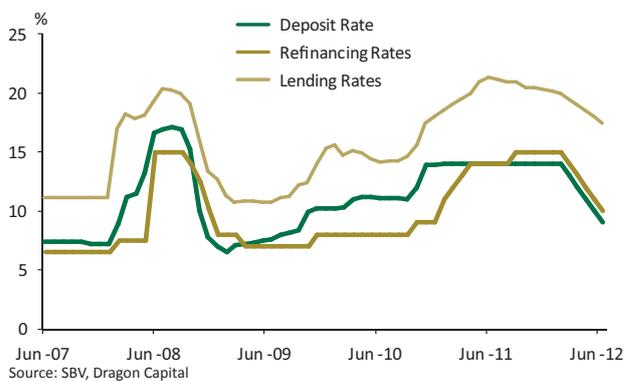
Bank liquidity

From February 2012 onwards, overnight ("O/N") rates started to come down sharply as payment demand decreased. In addition, SBV injected money via open market operations (OMO) and refinancing channels in order to lower interest rates in line with the declining inflation. Bank liquidity further benefitted from SBV buying US\$6.5 billion for FX reserves but issuing less than half of that amount in T-bills to offset the liquidity. At the end of June, O/N and two weeks interbank rates fell to historical lows of 2-4%. However, weak banks still had to borrow at much higher rates from large, stronger banks or from SBV at refinancing rates.



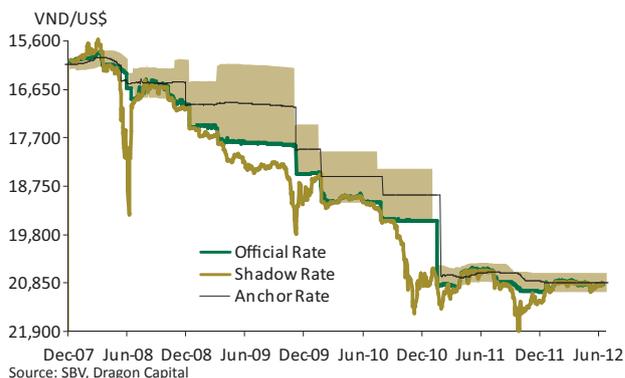
Monetary Policy

With inflation escalating in 2011, the Government initiated a conservative monetary policy. However, when inflation fell sharply in March and the first quarter GDP growth recorded a disappointing 4.1%, SBV started lowering policy rates. When inflation reached single digits in May, SBV reduced rates even further. As a result, the deposit rate cap and refinancing rate were cut 400bps in four months to 9% and 10% respectively. However effective lending rates fell less than expected as some banks continued offering deposit rates that were higher than the cap. This made it evident that the Government needed to accelerate the banking restructuring process even more to solve the liquidity issue thoroughly and effectively lower lending rates.



The Local Currency

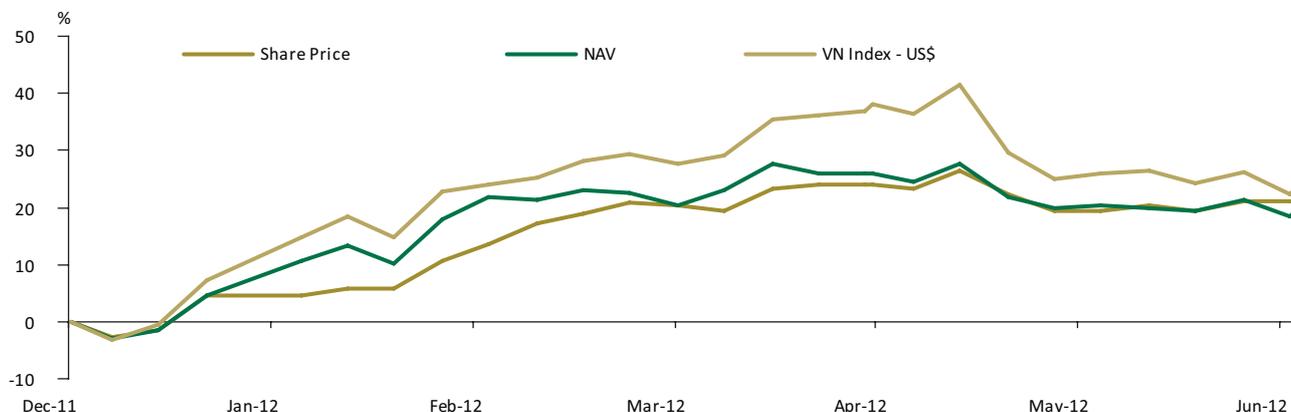
The latest devaluation took place in February 2011 when SBV increased the US\$ reference exchange rate from 18,932 to 20,693 and narrowed the trading band from ±3% to ±1%. This was equivalent to a 7.2% devaluation, and the country's biggest single devaluation since 1998. Since then the US\$/VND unofficial market rate has come down sharply from VND22,500 to 20,860, a 7.2% appreciation and remained stable during the last 18 months. The interbank rate declined from VND21,700 to 20,860 and is now trading inside the trading band, which is a key indicator for the growing local confidence in the local currency.



INVESTMENT MANAGER'S REPORT (CONTINUED)

Fund

Fund Performance

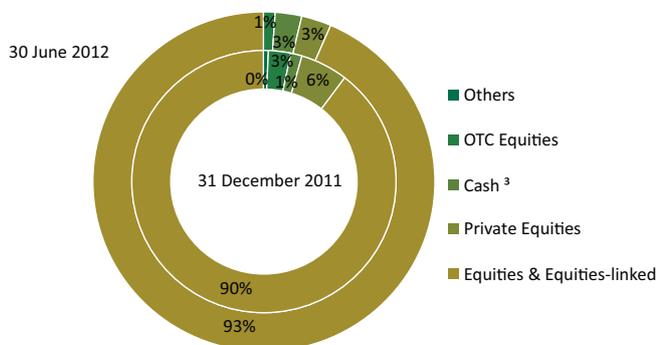


Source: Bloomberg, Dragon Capital

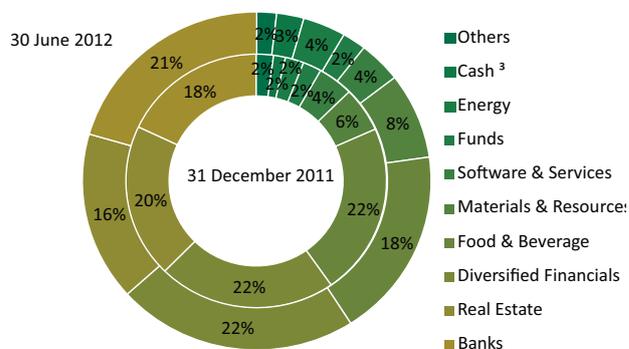
In the first half of 2012, the Vietnam Index (“VN Index”, in US\$ terms) gained 24% led by cyclical stocks in the financial, real estate and materials sectors. Large cap companies with available foreign room enjoyed the largest increases. The rally was initiated by banking stocks which, given their attractive valuation and the prospects for M&A, shot up 50-60% by April. Other cyclical stocks such as those in brokerage, real estate and materials followed, making up some of the ground that they had lost during their sell-off in 2011. Starting in May the VN Index then entered a correction and ended the period at 415 which made Vietnam still one of the best performing stock markets worldwide.

NAV of Vietnam Enterprise Investments Limited (“VEIL” or the “Fund” or the “Company”) gained 23.93% during the first half but trailed the VN Index by 4%. This was mainly due to its top two holdings - Vinamilk and Masan Group - which are heavily weighted in the Fund but which did not participate in the short market rally which was driven by poorer quality cyclical stocks. Despite their excellent business results, Vinamilk and Masan Group only increased by 4.7% and 11% respectively. However, these two companies are held for their longer investment horizon which focuses on Vietnam’s rising domestic consumption. They both have been consistent in delivering excellent returns in the past years. VEIL’s other large holdings, however, performed very well, delivering gains from 21% to 60% and thereby compensating for the temporary underperformance of Vinamilk and Masan Group.

Asset Allocation by Asset Class ¹



Asset Allocation by Sector ²



¹ For a full portfolio listing, please see Note 5 to the unaudited condensed consolidated interim financial statements.

² Hoang Anh Gia Lai, which accounted for 4.48% of NAV as at 31 December 2011 and 6.64% as at 30 June 2012 has been reclassified to real estate sector effective from 1 January 2012.

³ Cash includes other receivables and liabilities.

Attribution Analysis ¹

The real estate sector performed best, returning 34.3% and contributing 6.1% to VEIL's performance. The sector rebounded significantly during the first half of 2012 as it had been beaten down by more than 50% in 2011. Hoang Anh Gia Lai soared by 65% and added 2.9% to VEIL's performance. Hoang Anh Gia Lai successfully reduced their contribution from real estate and transformed into a conglomerate with a focus on rubber plantation and processing, hydro electricity, mining, properties and construction materials. REE shot up by 58.7%, adding 2.5% to VEIL's performance. REE booked large financial gains from the divestment of its Sacombank holding. During the period, VEIL also successfully divested from Sudico - a respectable property developer which was drawn into troublesome internal disputes among major shareholders. Nonetheless, Sudico still contributed 1.0% to VEIL's performance. Other smaller holdings in real estate also performed well during the period.

Holdings in banking represented 20.5% of NAV and performed reasonably well in the first half of 2012 with a return of 30.6% and a contribution of 4.8% to VEIL's performance. During the first half of 2012, the banking sector was consumed with M&A restructuring possibilities and as such this led to gains of 40-50%. Meanwhile, ACB which dominates the bank holdings in VEIL only returned 31.6% and contributed merely 4.8% mainly due to a lack of buying as its foreign shareholding limit is already full. During the first half of 2012, VEIL added two more bank holdings, namely Vietcombank and Military Bank, to provide further diversification.

Diversified financials is weighted heavily in VEIL with 22.4% of NAV. The holdings in Masan Group comprise Masan Group shares and equity-linked promissory notes accounting for 2.4% and 15.5% of NAV respectively. The holdings in Masan Group performed modestly in the first half of 2012 with a return of 12.5% contributing 2.9% to VEIL's performance even though Masan Group is delivering superior growth owing to its business portfolio in food & beverage, banking and mining. At the present moment, Masan Group has cash reserves of US\$600 million whilst its market cap is US\$2.5 billion putting Masan Group in a position where it is ready to acquire companies or businesses to further expand its business. The other key holding in diversified financials is SSI, the country's largest broker, which rode the stock market's rally and shot up by 51.9% and contributed 1.2% during the period.

Vinamilk, VEIL's largest holding (18.2% of NAV vs. 7.8% of the VN Index), and also the only holding in food & beverage, edged up a meager 4.5% and contributed a marginal 1% to VEIL's performance despite its solid business, sustainable growth and sound corporate governance. Vinamilk's share price performance was clearly restrained by its full foreign room.

Materials & resources account for 8.2% of NAV and delivered a reasonable performance, gaining 42.3% and contributing 2.4% to VEIL. Hoa Phat Group - the leading steel manufacturer - gained 51.9% and contributed 1.2%. Olympus Pacific - an offshore holding - rallied by 59.4% and contributed 0.9% whilst Phu My Fertilizer increased by 56.7% thanks to its excellent business results.

For utilities, only Vinh Son Song Hinh - an efficient hydro power plant - traded during the period. However, owing to good market timing, this holding produced a total return of 69.4% from divestments. Its impact was limited to 0.3% due to its small size. Other key holdings in software & service (FPT), Pharmaceuticals (Hau Giang Pharma), and consumer durables (Phu Nhuan Jewelry) provided only modest contributions to VEIL's performance.

Sector Return and Contribution

Sector	Portfolio Return (%)	VN Index Return (%)	Portfolio Contribution (%)
Real Estate	34.33	19.62	6.13
Banks	30.64	41.27	4.79
Diversified Financials	16.90	21.88	3.98
Materials & Resources	42.30	39.55	2.42
Food & Beverage	4.49	17.72	1.00
Software & Services	20.02	21.69	0.75
Funds	18.09	n/a	0.38
Utilities	45.38	42.33	0.29
Consumer Durables	13.77	12.95	0.10
Pharmaceuticals	14.95	15.99	0.10
Energy	4.37	10.59	0.06

¹ Fund holdings are calculated upon average beginning weights. Securities performance are total returns in the Fund.

Outlook

From the second half of 2011 through the first half of 2012, the Government implemented tight fiscal & monetary policies in order to curb rising inflation. As a result, the 12 months rolling CPI dropped from its peak in December 2011 of 18.1% to 6.9% in June 2012 and is expected to drop even further to 5.2% by the end of 2012. However, these measures also led to a slow-down of the economy with GDP growth falling to 4.0% in the first quarter of 2012 and 4.4% in the second quarter of 2012. High interest rates, due to the tight monetary environment imposed by the Government, stifled credit growth. To counter the slow-down it is expected that the Government will relax its policies in the second half of 2012. Its aim is to achieve a revised growth target of 5.2-5.7%.

Enterprise Investment Management Limited (the "Investment Manager") expects that the stock market will recover as the macro-economy improves. VEIL, therefore will continue to be fully invested in its focus stocks with sound fundamentals, sustainable growth and good corporate governance. VEIL will also selectively consider good companies in sectors such as brokerage or real estate that could bring surprise earnings in order to add beta when the market rallies. Meanwhile, the Investment Manager also continues the restructuring of the portfolio to reduce the concentration risk in top holdings and to divest from private equities via trade sales.



Vu Huu Dien
Investment Manager
Vietnam Enterprise Investments Limited
4 October 2012

TOP FIVE HOLDINGS

Vinamilk



VINAMILK

Market Valuation 1H 2012 Total Return*

US\$74,459,305 4.66%

* Source: Bloomberg (total return in US\$ terms in respective index)

% of Net Assets Initial Acquisition

18.20% 22 October 2003

Vinamilk is Vietnam's leading dairy company. It produces a wide range of products covering liquid and powdered milk, condensed milk, drinking and spoon yoghurt, ice cream, and cheese. It enjoys, besides an unrivalled distribution network, high brand recognition and a strong and healthy balance sheet. Its leading position, with a market share between 35% and 90% for all of its main products, is unrivalled.

In the first half of 2012, Vinamilk exceeded its target and delivered revenue of VND13,136 billion (+29%) and net profit of VND2,776 billion (+31.3%), or 59% of its full year net profit target. The increase in revenue stemmed primarily from volume growth (+22%) driven by the high demand for dairy products and good marketing campaigns whereas price increases played a smaller role averaging +7%. Other factors that contributed to the excellent performance were the expansion of its distribution network which saw an increase of the number of its retail sale outlets from 178,000 to 193,000 in the first half of 2012, and the launch of new products such as a yogurt for children with ADM+ formula or collagen yogurt for ladies. At the end of the first half of 2012, Vinamilk was ranked No 1 in liquid milk and powdered milk with market shares of 46% and 28% respectively.

The main surprise in the second quarter of 2012 was the improvement in its gross margin from 31% in the first quarter to 35%. This was due to a decline in the world milk price which in the second quarter dropped 18% QoQ while in the first quarter they decreased by only 6%. Given that Vinamilk controlled selling, general and administrative ("SGA") expenses in the first half of 2012 to 10% of sales, which is unchanged YoY, this translated into additional profit of around VND205 billion in the second quarter of 2012. Achieving robust sales growth of +29% without any increase in its SGA allowed not only an increase of net profit by 31%, higher than the top line growth, but also represents an excellent performance, particularly in a recessionary environment. Many of the other food & beverage players such as Kinh Do and Bibica were less successful incurring SGA increases of +20% YoY.

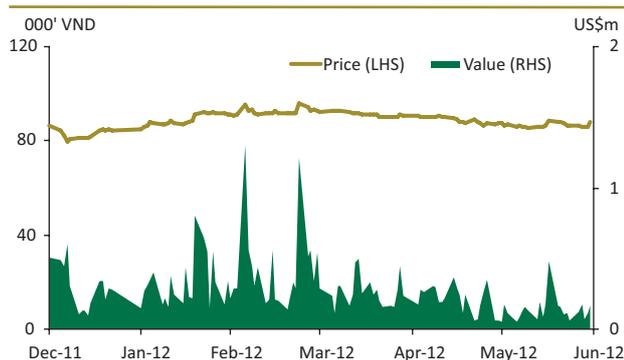
In the first half of 2012, Vinamilk spent more than VND2 trillion on capital expenditure, or 45% of its whole year target. Capital expenditure focused on ensuring that its Danang milk factory will be able to commence operation in 2012 and that its Dielac 2 factory and Vinamilk factory will start operating in 2013. As and when all of these three factories are operational Vinamilk will have doubled its capacity.

Outlook: With an increase in its selling price of +7% and continued high demand for dairy products, it is expected that Vinamilk's sales growth in the second half of 2012 to continue increasing by +29%, supported by its continued aggressive distribution network expansion. In view of lower world milk price as mentioned above, gross margins is expected to be maintained at 32.8% for the rest of the year and net profit to perform better than sales which could reach VND5,512 billion at year end, or an increase of 32.3%. This implies an earnings per share ("EPS") of VND9,912 (+30.4%). For 2013, Vinamilk is believed to continue outperforming the dairy market thanks to its three new factories and therefore forecast sales in 2013 to come in at VND35,162 (+25%) and net profit at VND6,735 (+22%).

Corporate action: Vinamilk's management board approved the issuance of bonus shares with the ratio of 2:1 to improve the liquidity of its stock. The expected date of the bonus share issuance will be on 31 December 2012.

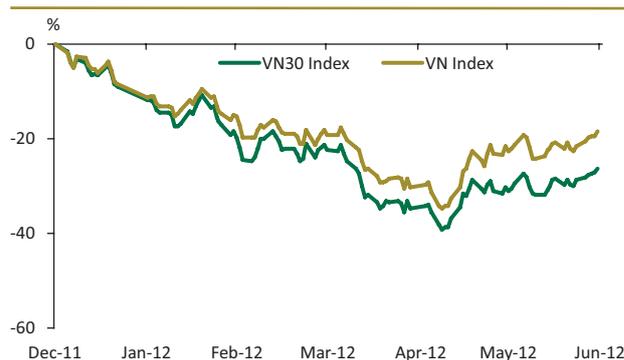
At the current price of VND106,000, Vinamilk is trading on a 2012 price-to-earnings ratio ("PER") of 10.7x, a reasonable valuation especially when put into a regional context. We therefore maintain our recommendation of overweight for Vinamilk.

Stock Price



Source: Dragon Capital, Bloomberg

Price Relative



Source: Dragon Capital, Bloomberg

TOP FIVE HOLDINGS

Masan Group



Market Valuation¹ **1H 2012 Total Return²**
US\$73,049,940 **12.54%**

¹ Including Masan Group's Equity and PN Holdings

² Blended return in US\$ terms combining Masan Group's Equity (Source: Bloomberg) and PN Holdings (please refer to Note 5 to the unaudited condensed consolidated interim financial statements) in the Fund.

% of Net Assets **Initial Acquisition**
17.85% **1 April 2010**

Masan Group is a diversified conglomerate. Its two historic core businesses are Masan Consumer, a major sauce and noodles manufacturer, and Techcombank, a leading private-sector commercial bank in which Masan Group holds 76.2% and 31% respectively. It also owns Nui Phao Mining Joint Venture Company Limited ("Nui Phao") which will account for half of the world's tungsten supply ex-China when production begins in 2013-2014, and which will also be globally significant in respect of bismuth and fluorspar. At the end of 2011, Masan Group acquired 50.52% of Vinacafe, a leading coffee producer in Vietnam. Masan Group's ambition is to build a conglomerate of five inter-related divisions: consumer, banking, financial services, resources and one other business that has yet to be decided.

In the first half of 2012, Masan Group recorded a strong performance with revenue growth of +43% and net profit growth of +30%, largely owing to the success of its noodle business and the consolidation of Vinacafe.

Masan Consumer has been impressive thus far in 2012 and increased its consolidated market share in the noodle segment from 16% at the end of 2011 to 25% at the end of the first half of 2012. Kokomi, its new brand of noodles, which was launched in December 2011 and targets the mass market, has shown robust growth with monthly sales increasing by 350% in the first half of 2012. As a result, total noodle sales reached VND1,400 billion in the first half of 2012 which was nearly equal to the total sales of the company in 2011 (VND1,600 billion). In the fish sauce segment, Masan Consumer is trying to capture a share of the unbranded segment and achieve its target market share (in terms of volume) of 80% by launching the Nam Ngu Super Save brand which, too, targets the mass market.

Recently acquired Vinacafe is presently being restructured in respect of its sales and distribution systems and as such sales were still modest in the first half of 2012. However, as and when the synergies from combining the sales and distribution systems start materialising, for example from distributing Vinacafe's products through Masan Consumer's distribution network of 180,000 outlets instead of its previous 45,000 outlets, Masan Consumer should see strong growth. Masan Consumer will also apply its R&D resources to Vinacafe and, as a consequence, has already launched two new products. These are "Wake up Saigon" instant coffee for the mass market and "Wake up" instant coffee for the premium market. Masan Consumer's gross margin slightly declined by 1% to 39% in the first half of 2012 because of the consolidation of its coffee business which had lower margins than its other products.

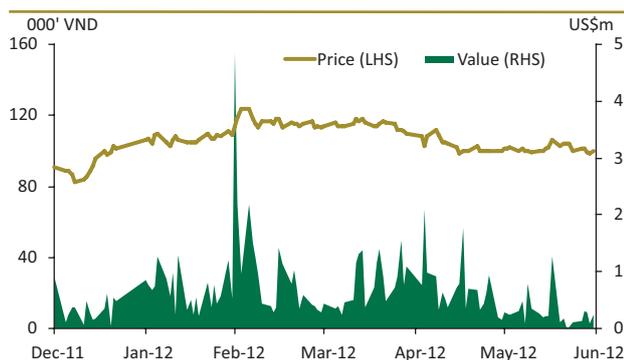
Techcombank's net income grew strongly by 30.8% in the first quarter of 2012. However, the slow-down in credit growth across the banking sector led to an overall decline of net income at the end of the first half of 2012 of 7% YoY. Techcombank recorded net profit of VND1,233bn, or +13.8% YoY at the end of the first half of 2012 which allowed Masan Group, by virtue of its 31% holding in Techcombank and after duly considering amortisation of goodwill, consolidating VND86 billion into its first half of 2012 financial results.

Masan Group held cash and bank deposits to the tune of VND10.4 trillion in the first half of 2012 which enabled the company to earn interest of VND635 billion, or +41% YoY. The company's debt-to-equity ratio (DER) increased from 0.6 to 0.9 since the beginning of the year due to taking on new long term debt for financing Nui Phao.

In the first half of 2012, Masan Group converted its debt into equity by issuing 172 million new shares which helped the company increase its chartered capital from VND5,153 billion to VND6,873 billion. In addition, the company also bought back 58 million shares of convertible instruments at a 25% discount to market price (VND80,000/share) to reduce the fully diluted shares to 772.4 million shares.

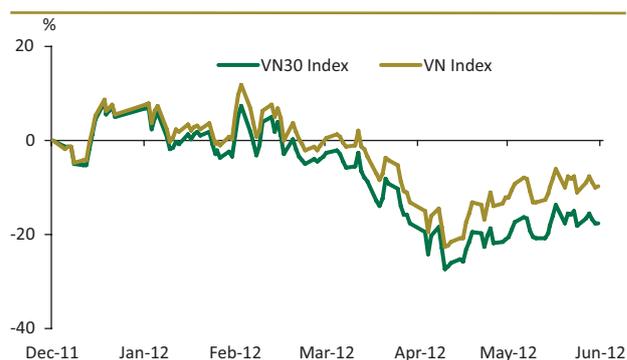
At the current price of VND101,000, Masan Group is reasonably expensive on a PER of 30.4x. However given the positive view about the company's future, namely its strong food business, its stable banking business, its Nui Phao project which will become operational in early 2013 and new possible M&A deals, we suggest a NEUTRAL rating for Masan Group.

Stock Price



Source: Dragon Capital, Bloomberg

Price Relative



Source: Dragon Capital, Bloomberg

TOP FIVE HOLDINGS

ACB



Market Valuation	1H 2012 Total Return
US\$70,792,139	31.81%

* Source: Bloomberg (total return in US\$ terms in respective index)

% of Net Assets	Initial Acquisition
17.30%	1 December 1996

ACB is Vietnam's largest private bank, a position that it has held for the past six years. ACB is ranked fifth by total assets and has a market share of 3.9% and 5.8% in total loans and deposits respectively. ACB operates on strong conservative principles with a low loan-to-deposit ratio ("LDR"), a stringent credit policy, and strong diversification into non-lending activities. It was the first bank to set up a formal gold trading exchange to take advantage of the enormous domestic appetite for gold trading as well as to exploit arbitrage opportunities of gold price discrepancies between home and abroad. Profitability since 2006 has been greatly enhanced by these strategic yet opportunistic moves in respect of stock and bond trading as well as gold related activities. From 2010 onwards income, however, reverted back to the traditional sources of lending and fee based income as SBV imposed various regulations to discourage non-core activities.

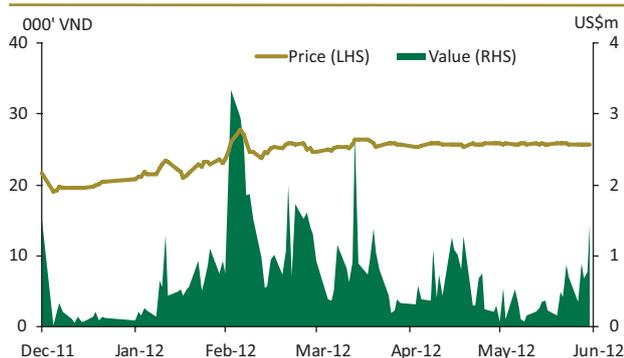
Since partnering with Standard Chartered Bank in 2005, ACB has proven itself to be a profitable lender with a prudent growth strategy, as evidenced by a NPL ratio of 1.6% (compared to the sector average of 4.5% at the end of the first half of 2012). ACB successfully expanded its lending activities by focusing on two core segments that are the driving force for the economy and the banking sector, namely small and medium enterprises ("SMEs") and retail which account for 55% and 37% respectively of its total loan book. With limited exposure to real estate and SOEs, ACB has been able to maintain its asset quality during the recent economic difficulties.

Due to the overall economic situation, Vietnam's banking sector witnessed a substantial slowdown with aggregate loan growth of only +0.8% in the first half of 2012. With its prudent lending practice, ACB was more or less in line with the sector and recorded loan growth of +0.9% YTD, or +1.2% YoY. Even though net interest margin ("NIM") was squeezed throughout the market, ACB successfully increased its NIM by 30bps to 3.7%, thereby increasing its net interest income by +21% YoY. The consistent improvement in NIM since 2009 indicates that ACB has gradually relaxed its conservative credit policy in order to improve profitability. Even though income from fees slightly declined, that of FX trading and investment improved significantly, bringing total operating profit to VND4,228 billion, or +34% YoY. Still, asset quality is a headache across the banking sector at the moment, with average NPLs of the sector increasing from 3.3% at the end of 2011 to 4.5% at the end of the first half of 2012. Even though ACB has a much better NPL ratio than those of its peers, it is important not to forget that its present NPL ratio of 1.6% is double of last year. ACB booked provisions totaling VND303 billion which is an increase of 42% compared to the same period last year, thereby reducing the bank's profit before tax (PBT) increase to 25%, which is lower than its increase in operating income.

On 20 August 2012, one of the founding shareholders was arrested for alleged wrongdoings in connection with three of his private firms, and has since been charged with further violations, though none of these directly implicate the bank itself. There was limited impact on the day-to-day operations of ACB as the individual involved is not involved in the company's decision making and governance structure. Some deposits were withdrawn before maturity but the situation was well managed, not least since the bank has one of the lowest LDR in the system, and in addition the Central Bank was vocal in its support of the institution.

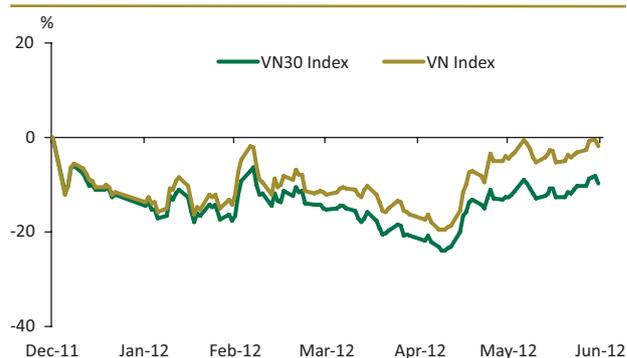
ACB plans to raise its share capital from the current VND9,377 billion to VND12,378 billion by offering 10% bonus shares to existing shareholders and a rights issue of 1:5 (1 rights share for every 5 existing shares) at an offer price of VND10,000 per share. The rights will be issued after the issuance of bonus shares. At the recent annual general meeting, management also indicated that it plans to raise US\$100 million from overseas bonds during 2012.

Stock Price



Source: Dragon Capital, Bloomberg

Price Relative



Source: Dragon Capital, Bloomberg

TOP FIVE HOLDINGS

Hoang Anh Gia Lai



Market Valuation	1H 2012 Total Return
US\$27,179,862	65.09%

* Source: Bloomberg (total return in US\$ terms in respective index)

% of Net Assets	Initial Acquisition
6.64%	19 June 2009

Hoang Anh Gia Lai is a holding company with five subsidiaries in real estate, natural rubber planting, mining, hydropower, furniture and granite production. The group's real estate subsidiary is one of the leading residential developers in Vietnam with large accumulated land sites purchased at very low cost and located mainly in Ho Chi Minh City, one of Vietnam's principal economic centers. While the furniture and granite production are complimentary to the real estate business, the other three businesses are at different stages of development in order to reinforce the group's sustainability and long-term growth.

The group is successfully pursuing a strategy of cost leadership in all of its businesses. In the real estate business, Hoang Anh Gia Lai has a potential pipeline of up to 20 projects concentrating on the middle/upper-income residential market. The group is able to deliver high quality real estate projects at low costs primarily due to its in-house design team, in-house construction capabilities, low land cost, in-house furniture and material sources. In the mining business, the group operates open-pit iron ore mines with low cost thanks to favourable geological conditions. The group also has the ability to control the cost of construction of its hydropower plants and the cultivation of rubber trees more efficiently and effectively than others do.

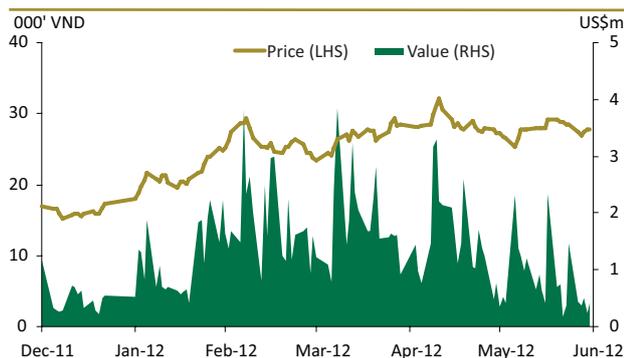
The group is on its way to transform from a real estate developer to a renewable resources company by using cash flows from its real estate business to invest in rubber plantations, hydropower and mining. However, there have been mismatches between inflow and investment needs, especially as the real estate market has been static in recent years. Foreseeing these obstacles, the group has prepared its access to both domestic and international capital markets with several flexible solutions such as carving out its subsidiaries, issuing bonds or convertible bonds.

Facing a very difficult 2012, Hoang Anh Gia Lai has prioritised risk management rather than earnings growth. The group set a modest growth target while other property developers made losses due to the current prolonged gloomy real estate market. In the first half of 2012, sales increased by +50.3% YoY thanks to the booking of revenue of one property project. However, earnings before interest and taxes ("EBIT") went up by only +20.1% as all business divisions suffered a squeeze on their profit margins except for hydropower. Lacking substantial financial income YTD, unlike 2011, Hoang Anh Gia Lai achieved only 17.5% of its full year target and recorded negative net profit after tax (NPAT) growth of -70.1% YoY while their peers mostly made losses. However, the group is clearly prepared for any difficulties in the coming difficult. During the first half of 2012, Hoang Anh Gia Lai successfully raised a total of US\$95.7 million from issuing straight bonds with value of US\$80.9 million and from selling a 10% stake in its hydropower subsidiary for US\$14.8 million. These proceeds helped the group to refinance their short-term loans and cover expected financial needs for their growth opportunities in 2013 when cash flows generated from its real estate business will be unpredictable.

2013 is expected to be a turnaround year for Hoang Anh Gia Lai. Growth of at least +60% YoY should be achieved and also when all of its non-real estate businesses should start kicking in. The plantation division will have its first 7,000 hectare of rubber and 6,000 hectare of sugar cane available for harvest. The mining project in Laos is presently having its production lines installed and will generate revenues and subsequent profit thereafter. The hydropower division will have an additional capacity of 80 megawatts from completion of a new plant at the end of 2012. From 2014 onwards, the plantation business, coming into its harvesting period, will generate a bottom line growth of +30% YoY. The group's rubber division possesses one of the largest plantations in the world with a planted area of 51,000 hectare, adding an average of 9,000 hectare per year to be tapped in the next five years.

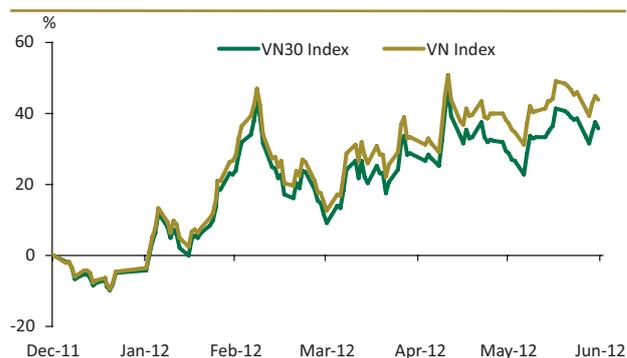
To conclude, Hoang Anh Gia Lai is a fundamentally sound business with promising growth prospects. The group has prepared well expected difficult times this year and is on their way to a robust growth period from 2013 on.

Stock Price



Source: Dragon Capital, Bloomberg

Price Relative



Source: Dragon Capital, Bloomberg

TOP FIVE HOLDINGS

REE



Market Valuation	1H 2012 Total Return
US\$22,061,961	58.96%

* Source: Bloomberg (total return in US\$ terms in respective index)

% of Net Assets	Initial Acquisition
5.39%	1 July 1996

REE is one of the largest and best known mechanical and electrical engineering ("M&E") contractors in Vietnam with a sound track record of more than 30 years and a market share of around 10% nationwide. REE started assembling and distributing its own air-conditioning systems under the "Reetech" brand in 2002 to leverage its existing M&E client base. When these two core businesses began stagnating, REE used its available and cheap land bank to move into the property sector creating the highly successful grade B "E-Town" office rental park. Despite the recent property market downturn, E-Town continues to have a remarkable occupancy rate of above 90%. With its cheap land bank now exhausted, REE, however, has been unable to grow its property business any further. REE, therefore, is presently seeking new businesses with the focus on infrastructure, particularly in the areas of power and water.

In the first half of 2012, REE enjoyed excellent net profit growth of +142.6% YoY, achieving 68.3% of its full year target thanks to large financial gains from divestment. Although sales increased significantly by +38.5% YoY, EBIT went up by only +9% YoY as profit margins in all three core businesses got squeezed. The M&E division reported sales growth of +42.1% YoY but a modest EBIT growth of +6.9% YoY. Meanwhile Reetech, the white-goods manufacturing division, reported sales growth of 48.1% and EBIT growth of +30.2% YoY. Property leasing, despite the gloomy real estate market, delivered sales growth of +17.3% YoY but could not prevent negative EBIT growth of -2.9%. Last but not least, REE's financial business exerted its considerable influence on the bottom line thanks to a large gain from its divestment of Sacombank.

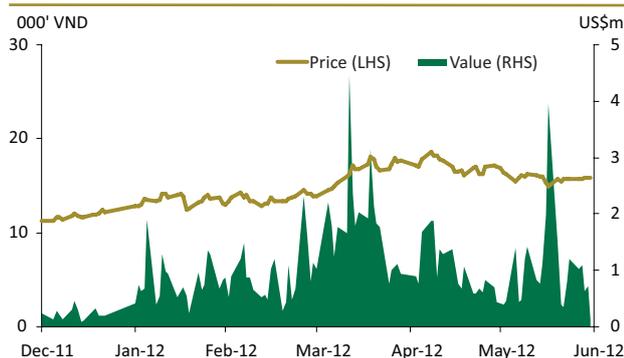
In 2013, REE is expected to maintain a modest growth of around +10% in revenue and operating earnings from their three core businesses as it will continue to face many challenges from the poor property market. Nonetheless, thanks to its strong brand-name, REE managed to win several valuable M&E contracts which will secure revenue for the next two years. This is expected to help solidify their Reetech business which is facing weak demand for durable goods. Last but not least, REE's focus on Grade B office leasing is expected to allow it to reach growth of around 18% in both revenue and profit derived from leasing additional area in a new office building.

REE has healthy cash reserves but has a high exposure to financial investments which represent 0.51x of assets and 0.67x of shareholder's equity. The combined book is carried at US\$127.3 million which is fully provisioned. The portfolio's present sector allocation comprises 68.4% in infrastructure, 14.3% in real estate and construction, 13.1% in the financial sector and 4.2% other small holdings. REE will continue its strategy of liquidating non-core and short-term investments, promising some additional financial profit, in order to focus on infrastructure investments where REE's stake is over 20%.

Over the past three years the stock market decline allowed REE to pursue its focus on infrastructure by buying into listed utilities firms at very low valuations especially when compared to the replacement costs of its assets. REE's strategy is to acquire ownership of at least 20% in two to four listed power firms and to increase its stake to above 50% where possible. Today, REE has holdings of 32.7% and 36.7% respectively in two hydropower plants with a total capacity of 270 megawatts. In the water sector, REE has just increased its holding to 42.1% in BOO Thu Duc, a 300,000 cubic metres per day water plant in Ho Chi Minh City, and has entered partnership with Saigon Water Corporation (Sawaco) in two other joint ventures.

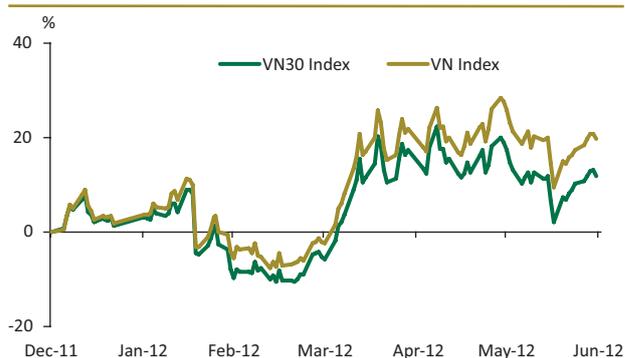
REE might not excite short-term investors with its infrastructure strategy which is long-term and yield-focused, but it is no doubt a valuable holding for any portfolio with a long focus. (1) REE currently offers an attractive valuation at 6.6x PER on 2012's earnings, a price-to-book of 1.0x and an attractive cash dividend yield of 9.6%. (2) REE's core businesses M&E, Reetech and office lease in E-town continue providing, despite harsh competition, steady cash flows and earnings thanks to cost advantages and efficient management. (3) the management adheres to one of the highest standards of corporate governance in Vietnam which is well perceived by investors. (4) REE's infrastructure focus stands to benefit from the Governments' roadmap to introduce a free market for output prices in future.

Stock Price



Source: Dragon Capital, Bloomberg

Price Relative



Source: Dragon Capital, Bloomberg



REPORT OF THE BOARD OF DIRECTORS

The Directors of the Company present their report and the unaudited condensed consolidated interim financial statements of the Company, its subsidiaries and jointly controlled entities (together referred to as the "Group") for the six months ended 30 June 2012.

Principal Activity

The Company is an investment holding company incorporated as an exempted company with limited liability in the Cayman Islands on 20 April 1995. The Company's shares are listed on the Irish Stock Exchange. The principal activity of the Company is to invest directly or indirectly in a diversified portfolio of listed and unlisted securities in Vietnam.

Results and Dividends

The Group's consolidated profit for the six months ended 30 June 2012 and its consolidated financial position at that date are set out in the attached unaudited condensed consolidated interim financial statements. The Directors have taken the decision not to pay a dividend in respect of the six months ended 30 June 2012 (2011: Nil).

Redeemable Share Capital

Details of movements in the Company's redeemable share capital during the period are set out in the consolidated statement of changes in equity and in Note 6 to the unaudited condensed consolidated interim financial statements. As at 30 June 2012, the Company's issued redeemable share capital comprised 173,823,000 Redeemable Shares and 1,000 Management Shares (31 December 2011: 168,110,672 Redeemable Shares and 1,000 Management Shares).

Directors

The Directors of the Company during the period were:

Non-executive Directors:

Dominic Scriven
Farida Khambata (from 18 April 2012)

Independent non-executive Directors:

Wolfgang Bertelsmeier
Hartmut Giesecke
Derek Eu-Tse Loh

Farida Khambata was appointed as a non-executive Director of the Company with effect from 18 April 2012.

Directors' Rights to Acquire Shares or Debentures

At no time during the period was the Company a party to any arrangement to enable the Company's Directors or their respective spouse or minor children to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' Interests in Shares

Dominic Scriven has indirect interests in the redeemable share capital of the Company as he is a shareholder of Dragon Capital Group Limited, which is the parent company of Dragon Capital Limited which holds the Management Shares of the Company. Dragon Capital Group Limited is also the ultimate parent company of Dragon Capital Markets Limited and Enterprise Investment Management Limited, the Investment Manager of the Company. As at 30 June 2012, Dragon Capital Markets Limited beneficially held 601,409 Redeemable Shares of the Company for investment and proprietary trading purposes (31 December 2011: 643,202 Redeemable Shares).

Apart from the above, no other Director had a direct or indirect interest in the redeemable share capital of the Company, or its underlying investments at the end of the period, or at any time during the period.

Directors' Interests in Contracts

Dominic Scriven has indirect interests in the investment management agreement between the Company and Enterprise Investment Management Limited as he was Director of Enterprise Investment Management Limited during the period. There were no further contracts of significance in relation to the Company's business in which a Director of the Company had a material interest, whether directly or indirectly, at the end of the period or at any time during the period.

Substantial Shareholders

At 30 June 2012, the Company's register of shareholders showed that the following shareholders held more than a 10% interest in the issued redeemable share capital of the Company.

Registered shareholders	Number of Redeemable Shares held	% of total Redeemable Shares in issue
Citiciv Nominees Limited	131,073,791	75.41
Clearstream Banking SA (POA Fortis Banque Luxembourg)	42,687,208	24.56

Subsequent Events

Details of the significant subsequent events of the Company are set out in Note 11 to the unaudited condensed consolidated interim financial statements.

Auditors

KPMG Limited, Vietnam

Directors' Responsibility in Respect of the Unaudited Condensed Consolidated Interim Financial Statements

The Board of Directors is responsible for ensuring that the unaudited condensed consolidated interim financial statements of the Group are properly drawn up so as to give a true and fair view of the consolidated financial position of the Group as at 30 June 2012 and of the consolidated financial performance and consolidated cash flows for the six months then ended. When preparing these unaudited condensed consolidated interim financial statements, the Board of Directors is required to:

- Adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- Comply with the requirements of International Financial Reporting Standards (IFRS) 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 unaudited condensed consolidated interim financial statements;
- Maintain adequate accounting records and an effective system of internal controls;
- Prepare the unaudited condensed consolidated interim financial statements on a going concern basis unless it is inappropriate to assume that the Group will continue its operations in the foreseeable future; and
- Control and direct effectively the Group in all material decisions affecting its operations and performance and ascertain that such decisions and/or instructions have been properly reflected in the unaudited condensed consolidated interim financial statements.

The Board of Directors is also responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group. It is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Directors confirms that they have complied with the above requirements in preparing the unaudited condensed consolidated interim financial statements.

The Board of Directors confirms that the Investment Manager's report includes a fair review of the development and performance of the business and the position of the Group together with a description of the principal risks and uncertainties that it faces.

Approval of the Unaudited Condensed Consolidated Interim Financial Statements

The Board of Directors hereby approves the accompanying unaudited condensed consolidated interim financial statements which give a true and fair view of the consolidated financial position of the Group as of 30 June 2012, and of its consolidated financial performance, consolidated changes in equity and consolidated cash flows for the six months ended 30 June 2012 in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting.

By Order of the Board



Dominic Scriven, OBE
Director
Vietnam Enterprise Investments Limited
4 October 2012

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2012 (Unaudited)

	Note	30 June 2012 US\$	31 December 2011 US\$	% Change
CURRENT ASSETS				
Financial assets at fair value through profit or loss	5	398,760,486	325,295,762	
Other receivables		836,910	595,187	
Balances due from brokers		2,499,739	341,355	
Cash and cash equivalents		8,496,147	8,639,283	
		410,593,282	334,871,587	22.61
CURRENT LIABILITIES				
Accounts payable and accruals		1,466,588	4,739,222	(69.05)
NET ASSETS		409,126,694	330,132,365	23.93
EQUITY				
Issued capital	6	1,738,240	1,681,117	
Share premium	6	357,497,594	345,762,725	
Retained earnings/(accumulated losses)		49,890,860	(17,311,477)	
TOTAL EQUITY		409,126,694	330,132,365	23.93
NUMBER OF REDEEMABLE SHARES IN ISSUE	6	173,823,000	168,110,672	
NET ASSET VALUE PER REDEEMABLE SHARE	7	2.35	1.96	19.90

Approved by the Board of Directors on 4 October 2012.



Dominic Scriven, OBE
Director
Vietnam Enterprise Investments Limited
4 October 2012

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2012 (Unaudited)

	Note	For the six months ended 30 June 2012 US\$	For the six months ended 30 June 2011 US\$
INCOME			
Interest income		174,958	446,416
Dividend income		11,606,095	4,201,716
Net changes in fair value of financial assets at fair value through profit or loss		70,191,372	(53,702,299)
Losses on disposals of investments		(10,467,418)	(4,639,352)
TOTAL INCOME/(LOSS)		71,505,007	(53,693,519)
EXPENSES			
Administration fees		(173,995)	(188,708)
Custodian fees		(102,342)	(56,614)
Directors' fees	9	(42,657)	(46,700)
Management fees	9	(3,880,676)	(3,774,165)
Legal and professional fees		(47,606)	(36,561)
Other operating expenses		(115,826)	(186,970)
TOTAL EXPENSES		(4,363,102)	(4,289,718)
NET PROFIT/(LOSS) BEFORE FOREIGN EXCHANGE GAIN/(LOSSES) FOR THE PERIOD		67,141,905	(57,983,237)
EXCHANGE GAIN/(LOSS)			
Net foreign exchange gain/(loss)		60,432	(420,092)
PROFIT/(LOSS) BEFORE TAX		67,202,337	(58,403,329)
Income tax		-	-
NET PROFIT/(LOSS) AFTER TAX FOR THE PERIOD		67,202,337	(58,403,329)
Other comprehensive income for the period		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		67,202,337	(58,403,329)
NET PROFIT/(LOSS) AND COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO REDEEMABLE SHAREHOLDERS FOR THE PERIOD		67,202,337	(58,403,329)
BASIC EARNING/(LOSS) PER REDEEMABLE SHARE	8	0.39	(0.35)

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2012 (Unaudited)

	Issued capital US\$	Share premium US\$	Retained Earnings/ (Accumulated losses) US\$	Total US\$
At 1 January 2012	1,681,117	345,762,725	(17,311,477)	330,132,365
Total comprehensive income for the period:				
Net profit for the period	-	-	67,202,337	67,202,337
Transactions with shareholders, recognised directly in equity:				
Reissuance of treasury shares (Note 6)	57,123	11,734,869	-	11,791,992
At 30 June 2012	1,738,240	357,497,594	49,890,860	409,126,694
At 1 January 2011	1,701,085	349,446,892	67,868,143	419,016,120
Total comprehensive loss for the period:				
Net loss for the period	-	-	(58,403,329)	(58,403,329)
Transactions with shareholders, recognised directly in equity:				
Repurchase of Redeemable Shares (Note 6)	(18,900)	(3,524,306)	-	(3,543,206)
At 30 June 2011	1,682,185	345,922,586	9,464,814	357,069,585

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2012 (Unaudited)

	For the six months ended 30 June 2012 US\$	For the six months ended 30 June 2011 US\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) for the period	67,202,337	(58,403,329)
Adjustments for:		
Dividend income	(11,606,095)	(4,201,716)
Bank interest income	(174,958)	(446,416)
Losses on disposals of investments	10,467,418	4,639,364
Net changes in fair value of financial assets at fair value through profit or loss	(70,191,372)	53,702,299
	(4,302,670)	(4,709,798)
Change in receivables and balances due from brokers	(2,025,989)	(188,678)
Change in accounts payable and accruals	(3,272,634)	(4,438,317)
	(9,601,293)	(9,336,793)
Proceeds from disposals of investments	58,462,345	5,815,225
Purchases of financial assets at fair value through profit or loss	(72,203,115)	(7,298,372)
Dividends received	11,208,362	4,230,759
Interest received	198,573	446,416
Net cash used in operating activities	(11,935,128)	(6,142,765)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from reissuance of treasury shares	11,791,992	(3,543,207)
Net cash generated from/(used in) financing activities	11,791,992	(3,543,207)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(143,136)	(9,685,972)
Cash and cash equivalents at the beginning of the period	8,639,283	14,057,188
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	8,496,147	4,371,216

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2012 (Unaudited)

These notes form an integral part of and should be read in conjunction with the accompanying unaudited condensed consolidated interim financial statements.

1. The Company

The Company is an investment holding company incorporated as an exempted company with limited liability in the Cayman Islands on 20 April 1995. It commenced operations on 11 August 1995, the date on which the initial subscription proceeds were received.

The investment objective of the Company is to invest directly or indirectly in publicly or privately issued securities of companies, projects and enterprises issued by Vietnamese entities, whether inside or outside Vietnam.

The Redeemable Shares of the Company are listed on the Irish Stock Exchange. The Company is established for an unlimited duration. At an annual general meeting ("AGM") held on 12 July 2010, a special resolution to wind up the Company on 31 December 2012 was put to the meeting, but did not pass. The Company will put before the AGM of every successive even numbered year a special resolution to wind up the Company on 31 December of the second year following the date of that AGM.

As at 30 June 2012 and 31 December 2011, the Group had no employees. The unaudited condensed consolidated interim financial statements of the Group as at and for the six months ended 30 June 2012 comprise the Company and its subsidiaries.

As at 30 June 2012, the Company had the following investments in subsidiaries and jointly controlled entities, for the purpose of investment holding:

Subsidiaries and jointly controlled entity	Country of incorporation	Principal activities	% ownership
Grinling International Limited	British Virgin Islands	Investment holding	100
Wareham Group Limited	British Virgin Islands	Investment holding	100
Goldchurch Limited	British Virgin Islands	Investment holding	100
VEIL Holdings Limited	British Virgin Islands	Investment holding	100
Venner Group Limited	British Virgin Islands	Investment holding	100
Dragon Financial Holdings Limited	British Virgin Islands	Investment holding	90
Rickmansworth Limited	British Virgin Islands	Investment holding	100
Geffen Limited	British Virgin Islands	Investment holding	100
VEIL Cement Limited	British Virgin Islands	Investment holding	100
VEIL Estates Limited	British Virgin Islands	Investment holding	100
VEIL Industries Limited	British Virgin Islands	Investment holding	100
VEIL Infrastructure Limited	British Virgin Islands	Investment holding	100
VEIL Paper Limited	British Virgin Islands	Investment holding	100

2. Basis of Preparation

(a) Statement of compliance

The unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting*. They do not include all of the information required for full annual consolidated financial statements, and should be read in conjunction with the annual consolidated financial statements of the Group as at and for the year ended 31 December 2011.

(b) Estimates and judgments

The preparation of unaudited condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results could differ from these estimates.

In preparing these unaudited condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the sources of estimation were consistent with those that applied to the annual consolidated financial statements as at and for the year ended 31 December 2011.

3. Summary of Significant Accounting Policies

The accounting policies applied by the Group in these unaudited condensed consolidated interim financial statements are consistent with those applied by the Group in its annual consolidated financial statements as at and for the year ended 31 December 2011.

4. Financial Risk Management

The Group's financial risk management objectives and policies are consistent with those disclosed in the annual consolidated financial statements as at and for the year ended 31 December 2011.

5. Financial Assets at Fair Value through Profit or Loss

	30 June 2012	31 December 2011
	US\$	US\$
Listed investments:		
Investments, at cost	231,433,354	215,141,677
Unrealised gains	87,393,423	23,770,656
At fair value	318,826,777	238,912,333
Unlisted investments:		
Investments, at cost	52,187,658	65,205,983
Unrealised gains	27,746,051	21,177,446
At fair value	79,933,709	86,383,429
Total investments at fair value	398,760,486	325,295,762

As at 30 June 2012, the Group held the following listed and unlisted investments:

<u>Listed investments</u>	Sector	Fair value US\$	% NAV
Overseas listed equities			
Olympus Pacific	Materials & Resources	4,005,375	0.98
Asian Minerals	Materials & Resources	556,564	0.14
		4,561,939	1.12
Vietnam listed equities			
Vinamilk	Food & Beverage	74,459,305	18.20
ACB	Banks	70,792,139	17.30
Hoang Anh Gia Lai	Real Estate	27,179,862	6.64
REE	Real Estate	22,061,961	5.39
SSI	Diversified Financials	18,514,301	4.53
FPT	Software/Services	15,768,344	3.85
Phu My Fertilizer	Materials & Resources	14,802,344	3.62
Hoa Phat Group	Materials & Resources	14,244,531	3.48
PV Gas	Energy	10,243,427	2.50
Masan Group	Diversified Financials	9,838,136	2.40
Military Bank	Banks	6,960,330	1.70
Vietcombank	Banks	6,232,359	1.52
PV Drilling	Energy	6,043,914	1.48
BCI	Real Estate	5,872,509	1.44
Phu Nhuan Jewelry	Consumer Durables	3,928,758	0.96
VFMVF1	Funds	3,751,796	0.92
Hau Giang Pharma	Pharmaceuticals	3,570,821	0.87
DIC Corp	Real Estate	1	0.00
		314,264,838	76.81
Total listed investments at fair value		318,826,777	77.93

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)
For the six months ended 30 June 2012 (Unaudited)

5. Financial Assets at Fair Value through Profit or Loss (Continued)

<u>Unlisted investments</u>	Sector	Fair value US\$	NAV %
Vietnam OTC equities			
Hoang Anh Housing	Real Estate	4,174,969	1.02
Private equities			
Beaubien	Real Estate	6,794,999	1.66
VFMVF2	Funds	5,266,085	1.29
		12,061,084	2.95
Warrants			
FPT Warrant	Software & Services	485,852	0.12
Promisory notes			
PN Holdings	Diversified Financials	63,211,804	15.45
Total unlisted investments at fair value		79,933,709	19.54

6. Issued Redeemable Share Capital

	30 June 2012 US\$	31 December 2011 US\$
<u>Authorised:</u>		
500,000,000 Redeemable Shares at par value of US\$0.01 each	5,000,000	5,000,000
300,000,000 Conversion Shares at par value of US\$0.01 each ("C shares")	3,000,000	3,000,000
1,000 Management Shares at par value of US\$0.01 each	10	10
	8,000,010	8,000,010
<u>Issued and fully paid:</u>		
173,823,000 Redeemable Shares at par value of US\$0.01 each	1,738,230	1,738,230
1,000 Management Shares at par value of US\$0.01 each	10	10
	1,738,240	1,738,240
Treasury shares	-	(57,123)
Outstanding issued redeemable share capital in circulation	1,738,240	1,681,117

Movements in redeemable share capital during the period/year were as follows:

	2012		2011	
	Shares	US\$	Shares	US\$
Balance at the beginning of the period/year	168,110,672	1,681,107	170,107,498	1,701,075
Reissuance of treasury shares	5,712,328	57,123	(1,996,826)	(19,968)
Balance at the end of the period/year	173,823,000	1,738,230	168,110,672	1,681,107

Movements in share premium during the period/year were as follows:

	2012 US\$	2011 US\$
Balance at the beginning of the period/year	345,762,725	349,446,892
Share premium from redeemable shares reissuance during the period/year	11,734,869	(3,684,167)
Balance at the end of the period/year	357,497,594	345,762,725

During the period from 1 January 2012 to 30 June 2012, the Company did not purchase through Rickmansworth Ltd., a dedicated wholly owned subsidiary of the Company, any Redeemable Shares. Rickmansworth Ltd has sold, during the same period, 5,712,328 Redeemable shares.

7. Net Asset Value per Redeemable Share

The calculation of the NAV per Redeemable Share is based on the net assets attributable to the Redeemable Shares of the Group as at 30 June 2012 of US\$409,126,694 (31 December 2011: US\$330,132,365) and the number of Redeemable Shares in issue as at that date of 173,823,000 shares (31 December 2011: 168,110,672 shares).

8. Basic Earnings/(Loss) per Redeemable Share

The calculation of basic earnings per Redeemable Share for the six months ended 30 June 2012 is based on the net income for the period attributable to the redeemable shareholders of US\$67,202,337 (six months ended 30 June 2011: (US\$58,403,329)) and the weighted average number of Redeemable Shares outstanding of 172,261,176 shares (six months ended 30 June 2011: 168,873,659 shares) in issue during the period.

9. Transactions with Related Parties

(a) Directors' interest in shares

Dominic Scriven has indirect interests in the redeemable share capital of the Company as he is a shareholder of Dragon Capital Group Limited, which is the parent company of Dragon Capital Limited which holds the Management Shares of the Company. Dragon Capital Group Limited is also the ultimate parent company of Dragon Capital Markets Limited and Enterprise Investment Management Limited, the Investment Manager of the Company.

As at 30 June 2012, Dragon Capital Markets Limited beneficially held 601,409 Redeemable Shares of the Company for investment and proprietary trading purposes (31 December 2011: 643,202 Redeemable Shares).

Apart from the above, no other Director had a direct or indirect interest in the redeemable share capital of the Company, or its underlying investments at the end of the period, or at any time during the period.

(b) Directors' interest in contract

Dominic Scriven has indirect interests in the investment management agreement between the Company and Enterprise Investment Management Limited as he was Director of Enterprise Investment Management Limited during the period. There were no further contracts of significance in relation to the Company's business in which a Director of the Company had a material interest, whether directly or indirectly, at the end of the period or at any time during the period.

(c) Directors' fees

During the six months ended 30 June 2012, the Directors, with the exception of Dominic Scriven, earned US\$42,657 (six months ended 30 June 2011: US\$46,700) for their participation on the Board of Directors of the Company.

(d) Management fees

The Investment Manager is entitled to receive management fees at 2% per annum of NAV, payable monthly in arrears on the first business day of such month and calculated by reference to NAV at the end of the preceding month. During the six months ended 30 June 2012 total management fees amounted to US\$3,880,676 (six months ended 30 June 2011: US\$3,774,165). As at 30 June 2012, the management fees payable to the Investment Manager were US\$649,537 (31 December 2011: US\$703,211).

9. Transactions with Related Parties (Continued)

(e) Incentive fees

The Investment Manager, under certain circumstances, is entitled to an incentive fee, payable in arrears within 14 days after the Board has approved the annual consolidated financial statements of the Group in respect of the relevant accounting period. The incentive fee will be 20% of the amount of the relevant amount against which the incentive fee will be calculated ("R"), provided that R is a positive figure and that the value of S in the calculation exceeds the highest value of S by reference to the incentive fee paid in any previous year:

$$R = S - U,$$

where:

R is the relevant amount against which the incentive fee will be calculated;

S is the NAV of the Redeemable Shares on the last valuation day in that accounting period (adjusted upward by any accruals of incentive fees payable that are reflected in the NAV) plus the NAV of all distribution made in respect of such shares in all prior periods by way of dividend, or return of capital or otherwise;

U is an amount equal to the sum of:

- a) The NAV of the Redeemable Shares as at the end of the accounting period in respect of which the most recent incentive fee was actually paid compounded at the rate of 8% per annum with effect from the valuation day by reference to which that incentive fee was calculated; and
- b) Either (i) the NAV of the C Shares as at the end of the accounting period in respect of which the most recent incentive fee was actually paid, compounded at the rate of 8% per annum with effect from the valuation day by reference to which that incentive fee was calculated; or (ii) if no incentive fee has previously been due and payable in respect of the C Shares, an amount equal to any amounts of capital raised by the issue of C Shares, exclusive of placing fees, compounded at the rate of 8% per annum with effect from the date of issue of those C Shares until the last valuation day in that accounting period; and
- c) Any amount of capital raised by the issue of new Redeemable Shares during the period since the valuation day referred to at (a) above, exclusive of placing fees, compounded at the rate of 8% per annum with effect from the date of issue of those shares until the last valuation day in that accounting period.

In order for incentive fees to be payable in respect of the six months ended 30 June 2012, NAV per Redeemable Share of the Group as at 30 June 2012 needed to exceed US\$7.98 (31 December 2011: US\$7.38). As at 30 June 2012, NAV per Redeemable Share of the Group was US\$2.35 (31 December 2011: US\$1.96).

No incentive fee was incurred during the six months ended 30 June 2012 (six months ended 30 June 2011: Nil).

10. Contingencies

Under the current law of the Cayman Islands and the British Virgin Islands, the Group is not required to pay any taxes in the Cayman Islands and the British Virgin Islands on either income or capital gains and no withholding taxes will be imposed on distributions to its shareholders or on the winding-up of the Company. The Company is subject to 10% withholding tax on the interest received from any Vietnamese companies. Dividends remitted by Vietnamese investee companies to foreign investors are not subject to withholding taxes.

Although the Group is not incorporated in Vietnam, its 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, 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 Group is considered as having permanent establishments in Vietnam;
- The amount of tax that may be payable, if the income is subject to tax; and
- Whether tax liabilities (if any) will be applied retrospectively.

The implementation and enforcement of tax regulations in Vietnam can vary depending on numerous factors, including the identity of the tax authority involved. The administration of laws and regulations by government agencies may be subject to considerable discretion, and in many areas, the legal framework is vague, contradictory and subject to interpretation. The Directors believe that it is unlikely that the Group will be exposed to tax liabilities in Vietnam, and in the worse case, if tax is imposed on income which has arisen in Vietnam, it will not be applied retrospectively.

11. Subsequent Events

Value of asset

As of the date of this report, the aggregate fair value of the Group's financial assets at fair value through profit and loss has fallen by US\$27,802,346 to US\$295,199,400 from the aggregate fair value as of 30 June 2012 due to a general decrease in listed/unlisted bond prices and listed share prices in Vietnam. The Directors believe that the decrease is temporary and consequently no adjustment has been made in the unaudited condensed consolidated interim financial statements as at 30 June 2012. The details are as follows:

	30 June 2012	Fair value 4 October 2012	Movement
	US\$	US\$	US\$
Financial assets at fair value through profit or loss			
Oversea listed equities	4,561,939	4,047,455	(514,484)
Vietnam listed equities	314,264,838	286,979,375	(27,285,463)
OTC equities	4,174,969	4,172,570	(2,399)
	<u>323,001,746</u>	<u>295,199,400</u>	<u>(27,802,346)</u>

Annual General Meeting

At the AGM of the Company held on 5 October 2012, the resolution to wind up the Company effective 31 December 2014 did not pass. At the AGM of the Company to be held in the year 2017, a special resolution to wind up the Company effective 31 December 2019 shall be put before the shareholders. If the special resolution is not passed the Company will put before the AGM in 2022 a special resolution to wind up the Company effective 31 December 2024 and thereafter mutatis mutandis at five yearly intervals.

12. Seasonality

The Group's results for the six months ended 30 June 2012 and 2011 are not subject to any significant seasonal or cyclical factors.

13. Approval of the Unaudited Condensed Consolidated Interim Financial Statements

The unaudited condensed consolidated interim financial statements were approved and authorised for issue by the Board of Directors on 4 October 2012.

ADMINISTRATION

The Company & Registered Office

Vietnam Enterprise Investments Limited
Clifton House
75 Fort Street
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands
British West Indies

Administrator & Offshore Custodian

Standard Chartered Bank
Standard Chartered @ Changi
No 7, Changi Business Park
Crescent
Level 03
Singapore 486028

Company Secretary & Registrar

ATC Asia Corporate Services Limited
ATC Trustees (Singapore) Pte. Ltd
55 Market Street
#16-01
Singapore 048941

Enquiries

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Email: dealing@dragoncapital.com

Investment Manager

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2 Ngo Duc Ke
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Ho Chi Minh City
Vietnam

Vietnam Custodian

Standard Chartered Bank (Vietnam) Limited
8th Floor
49 Hai Ba Trung
Hanoi
Vietnam

Auditors

KPMG Limited
10th Floor Sun Wah Tower
115 Nguyen Hue
District 1
Ho Chi Minh City
Vietnam

Listing Sponsor

McCann FitzGerald Listing Services Limited
Riverside One
Sir John Rogerson's Quay
Dublin 2
Ireland

BOARD OF DIRECTORS

Hartmut Giesecke

**Chairman and independent non-executive director
(Appointed January 2006)**

Hartmut Giesecke has a Master of economics degree from Freiburg University, Germany and an MBA from Columbia University Graduate School of Business. Mr. Giesecke joined the Capital Group organisation as a financial analyst in Geneva, Switzerland in 1972 and then moved to Los Angeles to work for Capital Research Company as an analyst covering non-US markets and later on as an international portfolio manager. In 1982 he moved to Japan where he headed Capital's Japanese business, starting as representative and director of Capital Research Company and then as general manager and president of Capital International K.K. In the fall of 1992, he transferred to Singapore to assume responsibility as managing director, Asia Pacific of Capital Group International, Inc., the holding company of Capital's global institutional investment business. He retired from active portfolio management in July 2005. He resides in Singapore and Munich, Germany.

Derek Eu-Tse Loh

**Independent non-executive director
(Appointed March 2011)**

Derek Eu-Tse Loh graduated from Cambridge University with Honours in 1990. He then obtained his barrister-at-law in England before proceeding to his call as an advocate and solicitor in Singapore in 1993. He has spent the past 18 years in active practice in the area of construction and engineering law. He joined TSMP Law Corporation in 2001. He is currently a director of both TSMP and Allens Arthur Robinson TSMP, a Joint Law Venture firm between TSMP and Messrs Allens Arthur Robinson of Australia. He sits on the Boards of listed companies in Singapore including Freight Links Express Holdings where he Chairs the Remuneration and Nomination Committees. Mr. Loh is a member of the Board of Governors of Saint Joseph Institution, a leading independent school in Singapore and is on the Board of Trustees of Saint Joseph's Institution Foundation (Singapore), a charitable organisation. He resides in Singapore.

Wolfgang Bertelsmeier

**Independent non-executive director
(Appointed July 2009)**

Wolfgang Bertelsmeier holds a Master's degree in business administration from the University of Frankfurt. He also studied at the Université de Poitiers, France, Harvard Business School and Stanford University. Mr. Bertelsmeier worked for several financial institutions and joined the International Finance Corporation ("IFC") in 1990, working primarily in Africa, Southeast Asia, Latin America and Europe until his retirement. He sits on the boards of several companies in Africa and Europe. He resides in Washington D.C. and Bangkok, Thailand.

Farida Khambata

**Non-executive director
(Appointed April 2012)**

Farida Khambata holds a Master of science in economics from the University of Cambridge and a Master of science in business management from the London Business School. She joined IFC, a part of the World Bank Group, in 1986 and managed pension fund assets and was in charge of non-US equities. From July 2006 to December 2008, Mrs. Khambata was a regional vice president of IFC and in charge of operations in South and East Asia, the Pacific, Latin America and the Caribbean. She also oversaw global equity and investments specifically in agribusiness, manufacturing and services and health and education. Since January 2009, Mrs. Khambata has been a global strategist at Cartica Management LP, an asset management company with a focus on emerging markets. She resides in Washington D.C.

Dominic Scriven, OBE

**Non-executive director
(Appointed May 1995)**

Dominic Scriven graduated in Law and Sociology from Exeter University in 1985. In over 25 years of investing throughout Asia, he has worked for M&G (UK), Citicorp (HK), and Sun Hung Kai (HK). He moved to Vietnam in 1991, spending two years at Hanoi General University, before co-founding Dragon Capital in 1994. A Vietnamese speaker, he is a Director of a number of publicly listed companies, and an active advocate for financial market development. His external interests range from sustainable tourism, through art and propaganda, to the illegal wildlife trade. He was awarded the OBE in 2006, and resides in Ho Chi Minh City, Vietnam.

NAME ABBREVIATIONS

In this report, including the notes to the accounts, entities or securities are referred to by their short names as follows:

Full Name by Sector	Short Name
Banks	
Asia Commercial Joint Stock Bank	ACB
Consumer Durables	
Phu Nhuan Jewelry Joint Stock Company	Phu Nhuan Jewelry
Diversified Financials	
Masan Group Corporation	Masan Group
PN Holdings Limited	PN Holdings
Saigon Securities Incorporation	SSI
Energy	
PetroVietnam Drilling and Well Services Joint Stock Company	PV Drilling
PetroVietnam Gas Corporation	PV Gas
Food & Beverage	
Vietnam Dairy Products Joint Stock Company	Vinamilk
Funds	
Vietnam Securities Investment Fund - VF1	VFMVF1
Vietnam Securities Investment Fund - VF2	VFMVF2
Materials & Resources	
Asian Mineral Resources Limited	Asian Minerals
Hoa Phat Group Joint Stock Company	Hoa Phat Group
Olympus Pacific Minerals Incorporated	Olympus Pacific
PetroVietnam Fertilizer and Chemicals Corporation	Phu My Fertilizer
Pharmaceuticals	
DHG Pharmaceutical Joint Stock Company	Hau Giang Pharma

Full Name by Sector**Short Name****Real Estate**

Binh Chanh Construction & Investment Joint Stock Company	BCI
Danao International Holdings Limited	Danao
Danao Limited - Loan 8.5% 3/8/2013	Danao Loan 8.5% 3/8/2013
Development Investment Construction Joint Stock Company	DIC Corp
Hoang Anh Gia Lai Joint Stock Company	Hoang Anh Gia Lai
Hoang Anh Construction and Development House Joint Stock Company	Hoang Anh Housing
Refrigeration Electrical Engineering Corporation	REE
Saigon Thuong Tin Real Estate Joint Stock Company	SacomReal

Software & Services

FPT Corporation	FPT
FPT Corporation Warrant 9/10/2012	FPT Warrant
Glass Egg Digital Media Limited - Promissory notes 9% 31/12/2008	Glass Egg - Promissory notes 9% 31/12/2008
Global Cybersoft, Inc.	Global Cybersoft

Utilities

Vinh Son Song Hinh Hydropower Joint Stock Company	Vinh Son Song Hinh
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